

8501. By Mr. SMITH of West Virginia: Petitions of citizens of Charleston, W. Va., urging Congress to discontinue levying the Federal gasoline tax; to the Committee on Ways and Means.

8502. By Mr. TRUAX: Petition of Orphans' Hope Lodge, No. 466, Brotherhood of Locomotive Firemen and Engineers, Dennison, Ohio, by L. E. Barth, urging support of House Joint Resolution 219, introduced by Congressman CROSSER of Ohio, which provides for the extension of the Emergency Railroad Transportation Act beyond June 16, 1935; to the Committee on Interstate and Foreign Commerce.

8503. Also, petition of Express Lodge 2045 of Brotherhood of Railway Clerks, Cincinnati, Ohio, by J. A. Rolandelli, urging support of House Joint Resolution 219, extending the Emergency Railway Transportation Act for 1 year; to the Committee on Interstate and Foreign Commerce.

8504. Also, petition of Building Service Employees' International Union, Chicago, Ill., by their secretary, Paul B. David, urging support of the Wagner disputes bill which will strengthen section 7 (a) of the National Industrial Recovery Act; to the Committee on Labor.

8505. Also, petition of Local Union No. 29, United Brotherhood of Carpenters and Joiners of America, Cincinnati, Ohio, by L. W. Cole, urging support of the Wagner-Connelly labor disputes bill, the Connery-Black 30-hour-week bill, and the social security bill; to the Committee on Labor.

8506. Also, petition of the Electrical Workers' Union, No. 39, Cleveland, Ohio, by Walter Lenox, business manager, urging support of House bill 7878; to the Committee on the Civil Service.

## HOUSE OF REPRESENTATIVES

FRIDAY, MAY 17, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, as we wait and look up to Thee we beseech Thee to draw the veil and hear us. Most wisely manifest Thyself in the deliberations of the Congress. We pray that our daily walk and conversation may be above reproach. We thank Thee that in hope and despondency, in sickness and in health Thy love brings daylight and pierces the dark with starlight. As partakers of the divine Nature, fulfill in us, with splendid serenity, the charm of brotherly love, godliness, and self-control. Enable us to be worthy of all Thy blessed providences, not by breaking our alabaster boxes on forbidding objects but at the feet of Him whom we call Master and Lord. Inspire us to reach forward each day for more knowledge and more purity, ever standing as true men before God and the world. Keep us to the deep realization that only toilers know the sweetness of rest and calm. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6143. An act to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7131. An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1958. An act to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes.

### RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication:

MAY 14, 1935.

Hon. JOSEPH BYRNS,

*Speaker House of Representatives.*

MY DEAR MR. SPEAKER: I am advised by my physician that it will be at least 2 months before I will be able to return to my office.

You will recall that I am the author of House Resolution 203, providing for an investigation of an organization known as the "American Retail Federation."

After the resolution was passed by the House you named me chairman of the investigating committee.

It is essential, in my opinion, that the investigation proceed at once. Therefore, in view of my physical condition, and in order that the committee might proceed at once, I hereby tender my resignation as a member of said committee.

With assurance of my high esteem, I am,

Sincerely yours,

JOHN J. COCHRAN.

The SPEAKER. Without objection, the resignation will be accepted. The Chair appoints the gentleman from Texas [Mr. PATMAN] in place of Mr. COCHRAN. The Chair also appoints Mr. BLOOM, of New York, to fill the vacancy caused by the resignation of the gentleman from North Carolina [Mr. WARREN].

### LICKING THE GHOST OF ALEXANDER HAMILTON

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by Mr. Wallace, Secretary of Agriculture, on May 11, 1935.

The SPEAKER. Is there objection?

There was no objection.

Mr. SANDLIN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address of Hon. Henry A. Wallace, Secretary of Agriculture, before a farm meeting at Alexandria, La., May 11, 1935:

Washington is a good many miles from Louisiana, and despite our modern devices for learning the news and getting places, we are not always as well informed about your activities and your opinions as we would like to be. It was a pleasant surprise, therefore, to learn the extent to which the farmers of Louisiana are supporting the farm program of the new deal. I refer particularly to the vote in your house of representatives on April 13 on a resolution asking continuation of the processing tax and supporting the Agricultural Adjustment Administration. Although for some reason the fact is not widely known, the vote in favor of this resolution was, I understand, 97 to 3. This also happened to be the exact proportion in favor of the Bankhead Act in your farm referendum last year.

I assure you that your united stand for the cause of agriculture was never more necessary than at the present moment. The next few weeks will be crucial. If the ranks of agriculture hold firm, we have some chance to improve the Agricultural Adjustment Act and come closer to winning for agriculture its fair share of the national income; but if the ranks of agriculture are divided, it is almost a certainty that what farmers have battled for for 15 years will be lost.

You see, what is really going on today is another episode in the famous struggle between Thomas Jefferson and Alexander Hamilton. The present danger is that the ghost of Hamilton will triumph, and in that triumph the rights of agriculture will be sunk without a trace.

We hear a good deal about Jefferson today from men who call themselves Jeffersonian Democrats, but who are principally corporation attorneys using the plea of State rights to preserve special privileges. It is going pretty far afield, it seems to me, to try to quote Thomas Jefferson in defense of huge vested interests. You know as well as I do that Jefferson was first, last, and all the time for the farmer. In his time 80 percent of all the people were farmers, and he hoped this would continue.

Hamilton, of course, had very little time for farmers. He believed in national unity, it should be said to his credit, quite as much as Jefferson; but whereas Jefferson wanted unity achieved under the sovereignty of the people, Hamilton wanted unity achieved by the grant of governmental powers to a relatively few powerful groups. Hamilton figured that by granting tariff concessions to business and financial advantages to bankers and speculators, these powerful groups would preserve national unity and at the same time run the country to best advantage.

When the party of Thomas Jefferson came into power in 1800 it was hailed as a great victory for representative government and Jeffersonian agrarianism. The truth is, however, that it was only a partial victory. What Jefferson won was a political victory; in economics the battle had gone to Hamilton. For Hamilton had already firmly established the practice of loaning governmental powers to business and finance in order to give them advantages which he considered necessary to national unity and progress. Tariffs for industry, banking legislation for financial interests,



were so well entrenched that even Jefferson could not dislodge them.

That was more than a century ago. The political victory of Jefferson has remained intact, but it was more and more endangered in recent years by the consequences of Hamilton's economic victory. For that Hamiltonian victory agriculture in particular has had to pay through the nose. It has had to sell in an open market and buy in a protected one. It has had to stand by powerless while finance and business and labor have accumulated more and more governmental powers. It has seen the device of the corporation and the labor union make hash of the traditional competitive market. It has seen industry not only exercise, but abuse, the right to adjust production to a changing demand, with the blessing of government. Yet when agriculture has asked for the governmental powers necessary to adjust its production to make up for lost foreign markets, the Hamiltonians have held up their hands in righteous horror.

That was the situation up until 1933. Franklin D. Roosevelt, a Jeffersonian rather than a Hamiltonian, came into office at the insistence of the millions who thought that if governmental powers were to be loaned to one they should be loaned to all; that the disadvantaged, the disadvantaged had even greater need of them than the financially high and mighty.

Since the farmer has to buy in a protected market, the farm program of the new deal found a way to help him sell in a protected market. For the first time, through the device of the processing tax, the majority of farmers had a tariff that actually worked for them.

Because of surpluses so huge as to overshadow our whole national economy, because of the limited amount of food the human stomach can consume, because of a shattered foreign market for farm products, agriculture in 1933 won the right to adjust its production to the market that actually existed.

The Agricultural Adjustment Act borrowed the centralizing power of government so that agriculture might at least begin to win back a little of its fair share of the national income. This goal, it was widely agreed, was desirable not merely for the sake of agriculture but quite as much for the sake of the Nation.

Now that these governmental powers have been used by millions of farmers for 2 years, the cry has arisen that they must be taken away. I do not hear this cry from any large number of farmers. They know that a moderate use of these governmental powers has helped put them back on their feet.

Here in Louisiana your receipts from farm marketings in 1932 were down to \$56,000,000. By last year, 1934, these receipts plus benefit payments had risen to nearly \$86,000,000, an increase of 51 percent over 1932.

Let's look at the facts on the three important crops for which there have been adjustment programs in Louisiana—cotton, rice, and sugar. In 1932 the farm value of cotton lint and seed was \$22,424,000. In 1933 Louisiana cotton producers agreed to cut production in order to lessen the burden of a terrific surplus. As a result of this and other administration programs, the farm value of the cotton crop in Louisiana rose to about \$33,000,000, including benefit payments. And last year, again convinced of the necessity for keeping production more nearly in line with existing market requirements, Louisiana cotton growers again applied collective control, and found the farm value of their crop, including benefit payments, mount to \$44,603,000, or double the farm value of the 1932 crop.

Rice growers of Louisiana are receiving during the current marketing year nearly \$13,000,000, as compared with \$6,500,000 for the 1932 crop. Only recently we reached a crisis in the rice program, in which it was necessary that the Agricultural Adjustment Act be amended if rice growers were to continue to enjoy the benefits of the program. The income of rice growers had been improved through a marketing agreement, but due to difficulties in enforcing the licensing provisions of the act a surplus of rice had accumulated which could not be moved under the existing program. It was necessary to shift to a processing-tax program; but the Agricultural Adjustment Act provided that a processing tax could be levied only at the beginning of a marketing year, so it appeared for a time that a large number of growers would not have a market for the 1934 crop of rice. When the attention of Congress was called to this situation, the act was amended so that a processing tax could be levied, effective almost immediately. This permitted the change from the marketing agreement to the processing-tax type of program and made it possible for the rice growers who had not been able to sell their crops to move them into the channels of trade.

Now a word about the sugar program. In years past Louisiana cane farmers were forced to contend with unregulated admission of cane sugar from insular areas and foreign countries in excess of market needs, and growers were dependent solely upon payments received from the sugar factories for their returns from the crop. Assistance to the sugarcane growers and the sugar industry in Louisiana, therefore, has been given in three ways. First of all, under the quota provisions of the Jones-Costigan Act, importations of sugars from the insular areas and foreign countries have been fixed in accordance with market requirements. Secondly, direct benefit payments have been made to cane growers in accordance with established procedure under the Agricultural Adjustment Act. In all, 13,469 checks, totaling \$2,952,698, have now been paid on 8,556 contracts as the first installment of the 1934 benefit payments to be made to Louisiana sugarcane growers.

Unlike growers of other basic commodities, Louisiana cane growers have been virtually assured prewar parity returns on their production.

Thirdly, the production adjustment contract for Louisiana cane growers also provides that in the event of crop damage or crop failure due to climatic calamities, crop deficiency payments will be made. The Louisiana cane growers are thereby given a substantial measure of crop insurance under the A. A. A. program.

Prior to enactment of sugar legislation in 1934, the farm value of the sugarcane crop in Louisiana had reached a low level. The 1932 crop had a value of \$8,831,000 and the 1933 crop a value of \$8,587,000, a marked decline from the average value of the crop of \$11,051,000 in the decade of 1920-30. As compared with the average value of the crop in the period 1920-25, when production in Louisiana was at a relatively high level, and the farm value of the crop averaged \$14,341,000, the value of the 1932 and 1933 crops represented a decline of as much as 64.7 percent.

Under the sugar legislation of May 1934 and the Louisiana crop adjustment program carried out under that legislation, the value of the 1934 crop (the first to be distributed under the new deal), including benefit payments which have already been made to producers and which will be made in accordance with the provisions of contracts with producers, will be about \$13,500,000, which figure is not only much above the 1920-30 average but is close to the average of the more favorable period 1920-25. A sugarcane-sirup program is being developed, approval of which would result in a further increase in the income of sugarcane growers in Louisiana.

It is around the cotton-adjustment program and processing tax, as you know, that the enemies of a new deal for agriculture have rallied. They haven't quite got the nerve to say that the cotton farmer is making too much money, but if they win their fight against the cotton program, the cotton farmer will certainly soon be making less money. To the textile operators who object to paying 16 cents a pound for cotton (market price plus processing tax), to labor leaders who fear that 16 cents for cotton may injure labor, let me direct an interesting question: How much of a return per hour of labor will 16-cent cotton give the average share-cropper?

The minimum wage for textile workers in the South, under the Textile Code, is 30 cents an hour. Do the men who grow cotton do as well? I have had an analysis made for Georgia and Texas, including all the necessary items of expense and receipt. In 1934 I find 16-cent cotton brought to the average share-cropper in Georgia a wage of 14.6 cents per hour; in Texas, 16 cents an hour. Were these share-croppers to get 30 cents an hour for their labor on the cotton crop, as the Textile Code provides for textile labor, the price of cotton would have to be around 30 cents a pound.

It is true, of course, that the share-croppers have a little land on which to raise food and feed, but it is also true that the number of hours during the year when they can earn their 15 or 16 cents an hour cash income from cotton is severely limited. In view of these facts can either industry or labor fairly accuse agriculture of charging too much for its services and its products?

Agriculture is still a long way from having its fair share of the national income. Yet, when it comes down to a question of abundance versus scarcity, we find agriculture far closer to normal production than industry. The representatives of business have no right to complain about production control by the A. A. A. Throughout the depression agriculture kept on producing at the same old rate, and prices were cut in two. You didn't see industry let its prices fall 50 percent. Industry cut production 50 percent in order to maintain prices within 20 percent of normal. Farm-machinery production was cut 80 percent while prices dropped only 5 percent. Acres of factories were left idle; millions of workers were plowed out into the streets.

Last year, despite the worst drought on record, agriculture produced within 15 percent of 1929 production. Industry was still 40 percent under 1929. This year, agriculture will probably come even closer to 1929 production. Will industry do as well?

Those who charge the A. A. A. of inducing scarcity simply do not know the facts. The American farmer always has produced enough food for every man, woman, and child in the United States, and I am sure he will continue to, given a chance to stay on his farm and in business. The adjustment programs have cut down production for an export market which no longer exists; they have not deprived the American people of an ounce of necessary food.

This year, given average weather, the harvested acreage of our 18 most important food and feed crops will be 40 million acres above that of last year. That means an increase of 16 percent over last year. To me that does not spell the economics of scarcity. Agriculture did not start the scarcity idea, has never practiced it, and never will. It asks for a society in which all groups will produce for an ever-increasing demand, but a society in which the productive effort and the productive reward of each great group will be in continuous balance with all.

That is the purpose and the method of the adjustment administration. Agriculture must insist upon the use of governmental powers exactly as long as they are employed by labor and industry and finance.

The processing tax is the farmer's tariff, the marketing agreements and licenses are the farmer's corporation laws. When industry is willing to abandon its tariffs, agriculture will be willing to abandon the processing tax; when business agrees to repeal the statutes authorizing corporations, agriculture will gladly abandon marketing agreements and licenses.

I confess I am impatient with those old-fashioned Jeffersonians who don't realize that the tariff and corporations have come to dominate our industrial and business economy; who forget that the farmer has always been the only unorganized force in America.



These people have never looked into the soul of Jefferson—he would be for the farmer now and he would realize that we must play the game with the rules as they are today. Whatever else he was, Jefferson was invariably the practical statesman.

The Republicans and some Democrats say farmers should do nothing for themselves, but should break the big corporations. It is awfully easy to arouse farmers this way, for they have been betrayed again and again by corporations. But making speeches against corporations, even passing antitrust laws against them, does not get us anywhere. The only sensible alternative is for agriculture to obtain and to use governmental powers comparable with those already used by corporations.

That is what agriculture is doing under the A. A. A., but as I said at the outset, agriculture's continued use of these powers is today in danger. The ghost of Hamilton is abroad in the land. He has come back because he sees that his economic victory of a century or more ago is in peril. As he was watched the new deal, he has discovered to his horror that it not only proposes to give the management of their economic affairs to the people but that it actually has put the notion into practice. He thought that he had established an economic government of, by, and for the few; and he has come back because we have strayed far from his principles.

The ghost of Hamilton does not like to see governmental powers loaned to some six or seven million farmers. Farmers, he would say, exist merely to provide the cities with cheap food and manufacturers with cheap raw materials. Farmers, he would continue, have already won too much through the Agricultural Adjustment Act. It is time to scrap it, says the ghost of Hamilton; time to pound the rostrum and holler about invasions of liberty (whose liberty?); time to suppress, once and for all, the agrarian spirit which is forever disturbing a status quo so comfortable—for the Hamiltonians.

I say it is time to lick the ghost of Hamilton. I say it is time for farmers to get up on their hind legs and fight for what they know to be simple justice.

#### CONSIDERATION OF H. R. 6914

Mr. GREENWOOD. Mr. Speaker, by direction of the Committee on Rules, I present a privileged report for printing under the rule.

The resolution is as follows:

#### House Resolution 223

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 6914, "A bill to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests", etc. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House, with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill, and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

#### EXTENSION OF REMARKS

Mr. BELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address delivered on Mother's Day by Dr. Raphael H. Miller.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, who is Dr. Miller?

Mr. BELL. He is pastor of the National City Christian Church. It is a Mother's Day address, a patriotic address, in which the Members of the House may be interested.

Mr. SNELL. A few days ago it was announced that you were not going to put any more outside addresses in the RECORD. If the majority wants to put this in, let it go on.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, I feel that we ought to have some definite policy in the House as to what material shall properly go in the RECORD. It is difficult to draw a positive rule. Nevertheless I am confident that the sentiment of the House is that we ought to have some understanding so that Members will not feel that they are being unkindly treated or discriminated against when someone objects. My judgment is the House should restrict the insertion of outside matters much more than we do. It costs the Government an enormous amount of money to print the CONGRESSIONAL RECORD. The insertion of a reasonable amount of important statements of Government officials on matters that are of general interest to the country is justifiable. I, of course, do

not pretend to determine this question. We have never had any hard-and-fast rule. I have often thought there ought to be some committee to whom all these requests for the inclusion of matters other than a Member's own remarks should be submitted so there would be some system of treating all Members fairly and at the same time protecting the RECORD in an orderly way.

Mr. SNELL. Mr. Speaker will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. SNELL. As a matter of cold absolute fact we ought to confine matters in the RECORD to what takes place on the floor or to statements of Government officials.

Mr. TAYLOR of Colorado. I think that is right.

Mr. SNELL. When I was a part of the majority and responsible for these matters that is what I did as far as I was able to.

Mr. BULWINKLE. And what the gentleman from New York was not able to do we did for him.

Mr. SNELL. And I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TAYLOR of Colorado. Mr. Speaker, I feel constrained to object.

#### THE FARMERS' LOBBY

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, loud and long are the complaints—which are both amusing and disgusting—coming from Republican sources for the most part and voiced because of the visit of 4,000 farmers to the Nation's Capital.

With solemn faces and frantic assurances about their own purity, the defenders of reaction hold up their hands in holy horror because the farmers had the audacity to send a "lobby" to Washington.

How shocking! To what depths the agriculturists have sunk, that 4,000 of them come to Washington to express their opinions about legislation and policies. What frightfully unethical procedure for these men, who raise crops, milk cows, hoe potatoes, and plow in fields, to invade the sacred precincts of the District of Columbia and actually attempt to influence officials and the public! Of course, this has never been done before. Of course, it is an alarming innovation when representatives of a class seek to have laws enacted that they approve. Of course, in all previous times, from the day of the signing of the Declaration of Independence down to the present, Congress, the President, and other officials have lived in a sterilized political ether apart from people and all mundane influences, have never received appeals or requests to do this or that, and have never yielded in any degree to the advice or urging of anybody.

The Railroad Trust, the Oil Trust, the Beef Trust, the Sugar Trust, and all the other monopolies—none of them have ever maintained a lobby in Washington or spent money to entertain officials. Oh, no!

In view of this uninterrupted record of stainless virtue, it really is both astounding and awful that bronzed, muscular, hard-working, honest farmers whose toil produces so many essentials for the whole people should have the nerve to be seen and heard in Washington!

What are we coming to anyway? Cannot these farmers understand that they ought to stay home on their farms, mind their own business, keep their mouths shut, and let the representatives of the millionaire and billionaire corporations, with their diamond pins and rings and "biled" shirts have the Washington show to themselves?

Without discussing the policy of the Agriculture Department and the Agricultural Adjustment Administration which the farmers came to Washington to personally endorse, I want to say with all possible emphasis that they have as much right to come here as any class in this country—and much more right than the smooth and sleek lobbyists for big business. I am glad they came. I hope they come again and often. I hope they exercise increasing influence over legislation and policies as time goes on—and that the



same is true of wage workers. When farmers and workers have their say about our laws and methods of government, instead of Wall Street, the Nation will be considerably better off than it ever has been before.

The A. A. A. has undoubtedly made its mistakes, as all human institutions do. But the mistake has not been because agriculture was regulated and "regimented." If there have been errors, it was because there was not enough regulation and because it was not always gaged so that the producer would get the maximum of benefit. The principle of regulating agriculture and of regulating industry in the interest of the common people is a correct one, and the farmers are right in endorsing it, regardless of what we may think about details as to the application of the principle.

It ought not to be necessary to say that 4,000 farmers, or any other number of them, are within their rights in coming to Washington to express their opinions about public matters, just as trade-unionists and ex-service men and other citizens are. Whether they came here to endorse the A. A. A. or denounce it, to advocate Democracy or Republicanism or Socialism or the single tax or repeal or prohibition, or any other philosophy is beside the point. If they had made their pilgrimage for the purpose of assailing the new deal they would have had an equal right to travel to and from the city that is the seat of government.

It is just about time that the captains of industry, the kings of finance, and the czars of banking of the United States discover that the farmers of our country have as much—and far more—right to advocate political principles as the beneficiaries of special privilege.

Mr. HOEPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short extract from a letter received from William Green, president of the American Federation of Labor.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD and to include therein a short extract from a letter received from Mr. Green. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object in order to know what Mr. Green is going to talk about.

Mr. SNELL. Mr. Speaker, I object.

#### ARMY PARTICIPATION IN OLYMPIC GAMES

Mr. PLUMLEY. Mr. Speaker, I am directed by the Committee on Military Affairs to ask unanimous consent for the present consideration of the bill S. 1803, to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games. This measure authorizes the Secretary of War to direct the training and attendance of personnel and animals of the Regular Army as participants in the Eleventh Olympic Games. There is no increase in the appropriation or expenditure, but it permits the charge for these expenses to be made to the appropriations for the support of the Army.

The SPEAKER. The gentleman from Vermont asks unanimous consent for the present consideration of a bill which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of War is hereby authorized to direct the training and attendance of personnel and animals of the Regular Army as participants in the Eleventh Olympic Games: *Provided*, That all expenses incident to training, attendance, and participation in the Eleventh Olympic Games, including the use of such supplies, material, and equipment as in the opinion of the Secretary of War may be necessary, may be charged to the appropriations for the support of the Army: *Provided further*, That applicable allowances which are or may be fixed by law or regulations for participation in other military activities shall not be exceeded.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

#### MILLIONS OF AMERICAN WORKINGMEN AND THEIR FAMILIES ARE DEMANDING THE RIGHT TO LIVE

Mr. HOEPEL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPEL. Mr. Speaker, we all recognize that the most important problem in America today is the problem of unemployment. In order to reduce or eliminate unemployment, it is imperative that we recognize and deal with its causes, rather than merely with its effects, as we are now doing. Some students of economics, including the Director of the Federal Emergency Relief Administration, have stated that we will always have 5,000,000 or more of our citizens unemployed. This would indeed be a tragic prospect if it were true—but fortunately, it is not.

It is an axiom of economics that if consumption, or distribution, can keep pace with production, we will have no unemployment. The advent of modern labor-saving machinery has, however, greatly accelerated production, making it possible for one individual, with a machine, to double, treble, and in some instances, to increase by a hundredfold the individual production capacity of the past, thus complicating the problem of balancing production with consumption.

The records of the American Federation of Labor disclose that organized labor is conscious of the fact that constant displacement is going on and wholesale additions are being made to the army of the unemployed. This has been caused by reason of the fact that various men are doing the work which a greater number of men were formerly employed to do.

In addition, the statistics of the Labor Bureau show that between 1923 and 1928, years of unusual prosperity, the number of factory workers in the United States actually decreased by one and a quarter million workers. The latest United States census shows that there were 330,000 fewer factory workers in 1914 than in 1930, despite a population increase since 1914 of 20,000,000, and an increase in factory production during the same period of 72 percent. We have here the positive, definite record that, with fewer factory workers we were producing 72 percent more in 1930 than in 1914.

We have shown a remarkable progress in mechanical development, which is, indeed, a testimonial to our inventive genius. Our mechanical progress, however, has assumed such proportions that unless it is controlled in the interest of society, it will develop into a veritable Frankenstein, which will annihilate society and government, as we now know it.

I do not wish to be understood as advocating the elimination or curtailment of labor-saving devices, but I do advocate a graduated tax on the labor-saving machines, or the products of such machines which violently displace labor. The tax derived from this source should be used wholly as a medium for unemployment insurance, to provide employment on public improvements and developments of a National or State-wide character for the workers displaced by the machine.

Admittedly, the levying of a technotax would be a radical innovation. Therefore, in justice to the owner of the machine and in the interests of the general welfare, I have introduced a resolution providing for an appropriation to conduct a thorough survey of the displacement of human labor by the machine, the results of which would be the basis for recommending to the Congress a plan of equitable taxation.

In the past 99 years our Government has issued approximately 2,000,000 patents. Assuredly no individual could consistently oppose the issuance of patents on devices which relieve human drudgery, improve the quality of a product, or which create employment through the establishment of new industries, such as the radio, the airplane, air conditioning, and so forth. However, no one will claim that a cotton-picking machine, now in process of development,



which, it is reported, will take the place of 100 laborers, will add one iota to the quality of the product. In an instance of this kind, we will find that 98 or more individuals per machine, who are already on the ragged edge of poverty, will lose even the small pittance heretofore earned as cotton pickers—they will become objects of charity—while the owner of the machine takes to himself the profits of mass production.

The labor-displacing machine will not buy, neither does it eat; nor does it pay other than a small property tax. The 98 individuals per machine who will be displaced by a mechanical cotton picker will add to the 15,000,000 who have already been released from private industry. These millions must be fed and subsisted in some manner, which, unfortunately, is now being accomplished by borrowing from the owner of the machine through the medium of tax-exempt securities. In other words, the plight of the unemployed and their families becomes increasingly desperate, while the wealth of the machine owner multiplies in the form of tax-exempt securities.

One of the dangerous aspects of the machine in its application today is that it is controlled by monied groups, comprising a very few individuals, thus continuing to concentrate wealth in the hands of a few, enforcing idleness on the workers displaced and adding to the misery of the masses. This is especially noticeable in the larger basic industries.

The technotax would make it possible for the small producer or manufacturer, with little or no mass-production machinery, to compete with the larger machine-equipped factories of the great industrialists. Rather than install expensive machinery and pay a tax thereon, the small manufacturer would employ more human labor, thus contributing toward relieving unemployment. The technotax would permit individual specialists, artists, and craftsmen to compete in industry with highly mechanized production, thus again spreading labor rather than constricting it; and thus, also, stimulating our interest in and appreciation of the finer things in life.

The owners of the labor-displacing machines, especially those in the larger industries, such as the steel, rubber, automobile, and other industries, and the owners of distinctive patent rights on machines which are leased and never sold, will register violent opposition to the technotax. It was necessary to fight a great Civil War to free the Negroes from their economic and physical bondage. In this day of enlightenment and the free exercise of the ballot it will not be necessary to make similar sacrifices to free our workers from the slavery of unemployment which is, indeed, the worst kind of slavery for the worker and his family.

Before the advent of the modern machine every boat load of slaves brought from Africa added to the wealth and also to the leisure of the southern planter. Every modern labor-saving machine adds to the wealth of the big industrialists, while it multiplies the misery of the workers who are displaced by the machine.

My limited time precludes going into detail on the subject of labor displacement by the machine, but in the coal-mining industry alone it is estimated that no less than 100,000 men have been displaced by machinery during the past 10 years, and notwithstanding this, according to the Bureau of Mines, the price of coal in 1934 was higher than in 1929.

In addition, I will mention briefly some of the basic industries which utilize labor-saving machinery to the utmost and in which workers are continually displaced in almost unbelievable numbers.

The glass industry affords a striking illustration. In this industry one machine, in many instances, displaces 30 or 40 workers.

In the brick industry, in the pottery industry, and especially in the steel, automobile, and rubber industries we find an inordinate displacement of man power through the adoption of labor-saving devices.

Even in the business of cleaning poultry we find human labor displaced by approximately 50 percent due to a recently

developed cleaning machine. With a recently patented egg breaker, one person does the work heretofore performed by six.

We have an automatic telegraph and linotype machine in the course of development which will displace thousands of telegraph and linotype operators.

Thousands upon thousands of girls lost their positions due to the adoption of the dial system of telephoning.

Television is now being developed and may eventually supplant the movies.

A machine is now being developed which will manufacture shoes from the cured hide to the finished product without human hands.

So much for examples of labor displacement. I could go on for hours describing how the iron man has enslaved and impoverished his prototype of flesh and blood.

Present banking and economic principles were accepted when production was dependent upon human muscles. Now that muscles of steel have taken the place of human muscles in the basic industries, we must adapt ourselves to the circumstances which confront us and free the American citizen from the enforced thralldom of unemployment due to machine displacement. Our scientific advance has outdistanced our social progress. If we will tax the machines to provide honest work, we will then have a satisfied, contented citizenship, with an assured earned income to every individual through the products of his labor, rather than the present capitalistic dole system.

With several million young men and women of America entering the ranks of labor each year, we cannot close our eyes to positive causes and deal only with effects of unemployment, as we are now doing. The welfare of future generations and the safety of our democratic form of government demand that youth be given an opportunity to labor, to provide homes for themselves, and to live normal, independent lives.

Either the Government must own the machines which displace human labor or the Government must levy a tax on such machines, especially on the group machines, to compensate to some degree for the labor displaced. From my observation here in Washington and from my experience with the enormous, inefficient bureaucracies established under the new deal, I am free to say that I am opposed to the Government owning the machines, and I do not favor the Government entering into competition with private industry anywhere, except perhaps in the field of natural resources.

The question at issue is whether the capitalistic system will crush the individual or whether it will be modified so that production and distribution will be kept in balance through the medium of a commodity dollar, the value of which should be controlled by the Congress of the United States, and not by the private bankers who own and control the Federal Reserve System.

Property rights, in no event, should take precedence over human rights. The agencies of entrenched and monopolistic wealth will oppose a tax on the labor-displacing machine with the same vehemence that the southern planters opposed the abolition of Negro slavery. Congress must respect human rights and the tenets of the Constitution which authorize taxation in the general welfare. Common sense itself would indicate that the agency which creates unemployment should bear the brunt of taxation to compensate for the havoc which it creates.

#### NATIONAL BOY SCOUTS JAMBOREE

Mr. DRIVER, from the Committee on Rules, reported the following resolution for printing under the rules, which was referred to the House Calendar and ordered printed:

#### House Resolution 224

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. J. Res. 285, "A joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree



to be held in the United States in 1935." That after general debate, which shall be confined to the joint resolution, and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Immigration and Naturalization, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

#### LEGISLATIVE APPROPRIATION BILL, 1936

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the legislative appropriation bill, with Mr. BULWINKLE in the chair.

The Clerk reported the title of the bill.

Mr. LUDLOW. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BLANTON].

#### UNRELIABLE NEWSPAPERS

Mr. BLANTON. Mr. Chairman, Mr. Eugene Meyer's Washington Post and Mr. William Randolph Hearst's Washington Herald and Times again today state a malicious, deliberate lie about me. It is not astonishing, because they cannot tell the truth.

This Eugene Meyer is the same Eugene Meyer who used money he filched from the Government to rob the little McLean heirs out of their \$2,000,000 worth of Washington Post property. I am going to tell all the facts about him sometime.

The William Randolph Hearst I refer to is the same William Randolph Hearst, a moral pervert and degenerate, who has been using an unmerited inheritance of money to shock decent society.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. No; I do not, as I want to use only 1 minute.

Mr. SNELL. Mr. Chairman, what is before the House?

Mr. BLANTON. I have been yielded time in general debate, and do not want to be interrupted.

The CHAIRMAN. The gentleman from Texas has been yielded 1 minute by the gentleman from Indiana.

Mr. BLANTON. And if Mr. Hearst continues this, I am going to tell how he is using that money out on the Pacific coast and in New York and has been using it for 25 years. That is all I have to say.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. LUNDEEN].

Mr. LUNDEEN. Mr. Chairman, the recent tragic school-bus accident near Rockville, Md., snuffed out the lives of 14 high school children and injured 13 more. Attention has again been concentrated on the terrible toll of deaths and injuries in traffic accidents in this country. Few realize how this toll has been growing. In the last 10 years the number of deaths on our highways has about doubled, reaching the all-time high of nearly 36,000 deaths in 1934. For every 7 persons killed in 1933 in automobile accidents, 8 were killed in 1934. Every 15 minutes someone is killed, and every 30 seconds some person is injured in a traffic accident. It has been estimated that if the present trend of traffic accidents continues, out of each 100 persons born today, 14 will be killed or seriously injured in traffic accidents and 80 will sustain minor injuries. This information comes to me from the director of safety and traffic engineering of the American Automobile Association.

#### THE STREET IS MORE DANGEROUS THAN THE BATTLEFIELD

In the 18 months of the United States' participation in the World War, 50,510 American soldiers were killed. In the same number of months, from July 1, 1930, through December 31, 1931, 53,650 Americans were killed by motor vehicle accidents. The toll for the last 18 months is still higher. The six major wars in which the United States has participated since its birth as a nation cost less than 300,000 American lives. During 15 years of peace time 1,300,000—over four times as many American people—were killed by accidents, and millions more have been disabled for life.

One million more people killed in American accidents in 15 years of peace than in all major wars of our history. This and a great deal of additional information has been compiled by Ernest Greenwood in his recent book, *Who Pays?*

#### MOTOR VEHICLE ONLY ONE KIND OF ACCIDENT

On an average, 90,000 to 100,000 people are killed each year by accidents; 300,000 are permanently disabled; and more than 8,000,000 injured. One hundred thousand American lives lost each year by accidents—8,000 deaths a month, 2,000 a week, 275 a day, 12 every hour. Every 5 minutes a life is lost by accident.

The National Safety Council reports that accidents were responsible for approximately 9,500,000 disabling injuries in 1934. The cost of these injuries, including wage loss and medical expense, approximated \$2,400,090,000. To this sum may be added approximately \$800,000,000 for property damage in motor-vehicle accidents and \$300,000,000 property loss in fires, making a total of \$3,500,000,000.

#### KINDS OF ACCIDENTS

By far the largest number of accidents are caused by motor vehicles. Of the 99,000 accidental deaths occurring in 1934, 35,500 were caused by motor vehicles; 33,000 accidental deaths were caused in the home; 17,500 were caused by accidents of a public character, not including motor vehicle accidents; 15,500 were caused by occupational injuries—Preliminary 1935 Edition of Accident Facts, National Safety Council.

#### AIRPLANE ACCIDENTS

Recurring sensational headlines flaring forth the toll of lives lost in every airplane accident mislead the public, and cause many of our good citizens to shrink from travel by air. As a matter of fact, a report of the Federal Coordinator of Transportation on Passenger Traffic published 1935, page 23, indicates that airway carriers fly 24,700,000 passenger miles for each fatality, whereas private automobiles drive only 11,300,000 miles. There are more than twice as many private automobile fatalities per number of miles traveled as there are deaths on airway carriers.

#### MOTOR-VEHICLE ACCIDENTS

Motor-vehicle accidents are divided into several classes:

1. Automobile accidents, excluding collisions with railroad trains and street cars.
2. Automobile accidents in collision with railroad trains.
3. Automobile accidents in collision with street cars.
4. Motorcycle accidents.

The trend of motor vehicle deaths is shown in a report of the Census Bureau for the years 1931, 1932, and 1933. In addition to the figures given by the Bureau for 1931, 1932, 1933, I might say that the National Safety Council estimates that in 1934 there were 1,250,000 disabling injuries resulting from motor-vehicle accidents, in which 35,500 persons were killed. The Bureau of the Census has published the statistics which I will now present to you on the fatalities due to motor-vehicle accidents in 1933, 1932, and 1931. This summary gives the figures for the United States and for each State, the number of deaths, and the death rates due to motor-vehicle accidents, automobile accidents excluding collisions with street cars or railroad trains, automobile accidents in collision with railroad trains, automobile accidents in collision with street cars, and motorcycle accidents.



Summary of fatalities due to motor-vehicle accidents, 1933, 1932, 1931

Area	All motor-vehicle accidents			Number of deaths and death rates from—									Motorcycle accidents		
				Automobile accidents (except collisions with railroad trains and street cars)			Automobile accidents in collision with—								
							Railroad trains			Street cars					
				1933	1932 <sup>1</sup>	1931 <sup>1</sup>	1933	1932 <sup>1</sup>	1931 <sup>1</sup>	1933	1932 <sup>1</sup>	1931 <sup>1</sup>	1933	1932 <sup>1</sup>	1931 <sup>1</sup>
United States:															
Number.....	31,363	28,361	32,429	29,323	26,350	30,042	1,437	1,466	1,651	318	304	419	285	241	317
Rate.....	25.0	23.6	27.2	23.3	21.9	25.2	1.1	1.2	1.4	0.3	0.3	0.4	0.2	0.2	0.3
Alabama:															
Number.....	506	424	496	485	405	472	12	16	21	3	1	2	6	2	1
Rate.....	18.8	15.8	18.6	18.0	15.1	17.7	0.4	0.6	0.8	0.1	(?)	0.1	0.2	0.1	(?)
Arizona:															
Number.....	154	166	159	147	162	149	7	3	9	—	—	—	—	1	1
Rate.....	34.0	37.1	35.9	32.5	36.2	33.6	1.5	0.7	2.0	—	—	—	—	0.2	0.2
Arkansas:															
Number.....	292	282	343	280	290	313	9	19	28	—	2	—	3	1	2
Rate.....	15.6	15.1	18.4	15.0	13.9	16.8	0.5	1.0	1.5	—	0.1	—	0.2	0.1	0.1
California:															
Number.....	2,422	2,355	2,568	2,233	2,198	2,367	104	74	109	55	48	63	30	35	29
Rate.....	40.0	39.6	43.9	36.8	37.0	40.5	1.7	1.2	1.9	0.9	0.8	1.1	0.5	0.6	0.5
Colorado:															
Number.....	321	302	340	298	284	319	16	10	16	3	4	2	4	4	3
Rate.....	30.5	28.8	32.6	28.3	27.1	30.6	1.5	1.0	1.5	0.3	0.4	0.2	0.4	0.4	0.3
Connecticut:															
Number.....	474	424	476	452	409	457	10	6	1	8	3	9	4	6	9
Rate.....	28.8	25.9	29.3	27.5	25.0	28.1	0.6	0.4	0.1	0.5	0.2	0.6	0.2	0.4	0.6
Delaware:															
Number.....	87	82	82	84	79	76	2	2	3	—	—	—	1	1	3
Rate.....	36.1	34.2	34.2	34.9	32.9	31.7	0.8	0.8	1.3	—	—	—	0.4	0.4	1.3
District of Columbia:															
Number.....	143	193	165	142	186	161	—	—	—	6	1	1	1	1	3
Rate.....	28.9	39.1	33.6	28.7	37.7	32.8	—	—	—	1.2	0.2	0.2	0.2	0.2	0.6
Florida:															
Number.....	546	511	554	494	485	518	47	13	28	1	3	1	4	10	7
Rate.....	35.1	33.4	36.8	31.8	31.7	34.4	3.0	0.9	1.9	0.1	0.2	0.1	0.3	0.7	0.5
Georgia:															
Number.....	682	589	647	651	541	608	25	38	34	3	2	1	3	8	4
Rate.....	23.4	20.2	22.2	22.4	18.6	20.9	0.9	1.3	1.2	0.1	0.1	(?)	0.1	0.3	0.1
Idaho:															
Number.....	124	89	88	117	86	83	7	2	—	—	—	—	—	1	—
Rate.....	27.7	19.9	19.7	26.2	19.2	19.7	1.6	0.4	—	—	—	—	—	0.2	—
Illinois:															
Number.....	2,149	2,037	2,370	1,943	1,831	2,049	154	156	238	35	42	70	17	8	13
Rate.....	27.5	26.2	30.7	24.8	23.6	26.5	2.0	2.0	3.1	0.4	0.5	0.9	0.2	0.1	0.2
Indiana:															
Number.....	1,137	1,017	1,216	979	845	1,023	133	140	150	20	25	37	5	7	6
Rate.....	34.5	31.1	37.3	29.7	25.8	31.4	4.0	4.3	4.6	0.6	0.8	1.1	0.2	0.2	0.2
Iowa:															
Number.....	565	482	624	514	422	564	43	50	51	3	7	4	5	3	5
Rate.....	22.8	19.4	25.2	20.7	17.0	22.8	1.7	2.0	2.1	0.1	0.3	0.2	0.2	0.1	0.2
Kansas:															
Number.....	523	443	460	482	386	402	35	47	50	4	5	4	2	5	4
Rate.....	27.5	23.4	24.4	25.4	20.4	21.3	1.8	2.5	2.6	0.2	0.3	0.2	0.1	0.3	0.2
Kentucky:															
Number.....	534	473	544	504	441	514	21	26	21	2	3	5	7	3	4
Rate.....	20.2	17.9	20.7	19.0	16.7	19.5	0.8	1.0	0.8	0.1	0.1	0.2	0.3	0.1	0.2
Louisiana:															
Number.....	405	356	421	395	341	412	3	11	7	2	2	1	5	2	1
Rate.....	18.8	16.7	19.8	18.3	15.9	19.4	0.1	0.5	0.3	0.1	0.1	(?)	0.2	0.1	(?)
Maine:															
Number.....	203	160	180	190	149	159	10	9	14	—	—	2	3	2	5
Rate.....	25.3	20.0	22.5	23.7	18.6	19.9	1.2	1.1	1.8	—	—	0.3	0.4	0.2	0.6
Maryland:															
Number.....	449	429	503	429	410	466	6	13	14	10	5	14	4	1	9
Rate.....	27.0	26.0	30.6	25.8	24.8	28.3	0.4	0.8	0.9	0.6	0.3	0.9	0.2	0.1	0.5
Massachusetts:															
Number.....	823	807	848	801	777	813	16	17	22	2	4	3	4	9	10
Rate.....	19.1	18.8	19.8	18.6	18.1	19.0	0.4	0.4	0.5	(?)	0.1	0.1	0.1	0.2	0.2
Michigan:															
Number.....	1,302	1,245	1,521	1,196	1,143	1,407	80	90	94	10	6	8	15	6	12
Rate.....	25.8	25.0	30.8	23.7	22.9	28.5	1.6	1.8	1.9	0.2	0.1	0.2	0.3	0.1	0.2
Minnesota:															
Number.....	580	531	657	525	486	622	39	39	27	10	6	6	6	—	2
Rate.....	22.4	20.5	25.5	20.2	18.8	24.1	1.5	1.5	1.0	0.4	0.2	0.2	0.2	—	0.1
Mississippi:															
Number.....	301	241	295	283	234	284	16	7	10	1	—	—	1	—	1
Rate.....	14.7	11.8	14.6	13.8	11.5	14.0	0.8	0.3	0.5	(?)	—	—	(?)	—	(?)
Missouri:															
Number.....	822	751	904	770	690	844	41	45	40	10	12	14	1	4	6
Rate.....	22.4	20.5	24.8	21.0	18.9	23.1	1.1	1.2	1.1	0.3	0.3	0.4	(?)	0.1	0.2
Montana:															
Number.....	119	98	128	115	96	118	4	2	8	—	—	1	—	—	1
Rate.....	22.1	18.2	23.8	21.4	17.9	21.9	0.7	0.4	1.5	—	—	0.2	—	—	0.2
Nebraska:															
Number.....	307	224	316	283	212	291	20	10	22	2	1	1	2	1	2
Rate.....	22.1	16.1	22.8	20.3	15.3	21.0	1.4	0.7	1.6	0.1	0.1	0.1	0.1	0.1	0.1
Nevada:															
Number.....	64	60	63	63	59	63	—	1	—	—	—	—	1	—	—
Rate.....	68.8	64.5	68.5	67.7	63.4	68.5	—	1.1	—	—	—	—	1.1	—	—
New Hampshire:															
Number.....	145	72	111	135	70	100	5	2	9	—	—	—	5	—	2
Rate.....	30.9	15.4	23.8	28.8	15.0	21.4	1.1	0.4	1.9	—	—	—	1.1	—	0.4
New Jersey:															
Number.....	1,188	1,162	1,296	1,147	1,105	1,229	19	45	46	3	3	7	19	9	14
Rate.....	28.3	28.0	31.5	27.4	26.6	29.9	0.5	1.1	1.1	0.1	0.1	0.2	0.5	0.2	0.3
New Mexico:															
Number.....	102	98	99	102	97	95	—	1	3	—	—	—	—	—	1
Rate.....	23.5	22.7	23.1	23.5	22.5	22.2	—	0.2	0.7	—	—	—	—	—	0.2
New York:															
Number.....	2,933	2,986	3,237	2,784	2,813	3,077	105	124	100	18	26	29	26	23	31
Rate.....	22.6	23.2	25.4	21.5	21.9	24.1	0.8	1.0	0.8	0.1	0.2	0.2	0.2	0.2	0.2

[See footnotes at end of table]



Summary of fatalities due to motor-vehicle accidents, 1933, 1932, 1931—Continued

Area	All motor-vehicle accidents			Number of deaths and death rates from—									Motorcycle accidents		
				Automobile accidents (except collisions with railroad trains and street cars)			Automobile accidents in collision with—								
							Railroad trains			Street cars					
	1933	1932	1931	1933	1932	1931	1933	1932	1931	1933	1932	1931	1933	1932	1931
North Carolina:															
Number.....	776	598	696	725	558	650	41	34	34	2	2	8	6	10	
Rate.....	23.7	18.4	21.6	22.1	17.2	20.2	1.3	1.0	1.1	0.1	0.1	0.2	0.2	0.3	
North Dakota:															
Number.....	117	59	115	101	57	110	16	2	5						
Rate.....	17.0	8.6	16.8	14.7	8.3	16.1	2.3	0.3	0.7						
Ohio:															
Number.....	2,040	2,012	2,247	1,829	1,822	1,970	150	152	199	49	26	54	12	12	24
Rate.....	30.0	29.8	33.5	26.9	27.0	29.3	2.2	2.3	3.0	0.7	0.4	0.8	0.2	0.2	0.4
Oklahoma:															
Number.....	512	464	442	485	437	404	23	20	30	1	4	3	3	8	
Rate.....	20.8	19.0	18.2	19.7	17.9	16.7	0.9	0.8	1.2	(?)	0.2	0.1	0.1	0.3	
Oregon:															
Number.....	267	247	307	249	223	292	16	17	6	1	4	7	1	3	2
Rate.....	27.2	25.4	31.7	25.3	22.9	30.2	1.6	1.7	0.6	0.1	0.4	0.7	0.1	0.3	0.2
Pennsylvania:															
Number.....	2,319	2,161	2,538	2,190	2,043	2,412	54	56	59	35	32	32	40	30	35
Rate.....	23.7	22.2	26.2	22.4	21.0	24.9	0.6	0.6	0.6	0.4	0.3	0.3	0.4	0.3	0.4
Rhode Island:															
Number.....	97	106	119	97	101	116			2		2	1		3	
Rate.....	13.8	15.2	17.1	13.8	14.5	16.7			0.3		0.3	0.1		0.4	
South Carolina:															
Number.....	359	337	397	342	329	380	14	6	14			3	2	3	
Rate.....	20.5	19.3	22.8	19.6	18.9	21.8	0.8	0.3	0.8			0.2	0.1	0.2	
South Dakota:															
Number.....	119	110	124	115	101	116	4	9	7					1	
Rate.....	17.0	15.7	17.8	16.4	14.4	16.6	0.6	1.3	1.0					0.1	
Tennessee:															
Number.....	556	498	576	540	474	547	9	16	16	5	2	3	2	6	10
Rate.....	20.9	18.8	21.8	20.3	17.9	20.7	0.3	0.6	0.6	0.2	0.1	0.1	0.1	0.2	0.4
Texas:															
Number.....	1,355	332	409	1,292	317	384	44	6	11	7	4	3	12	5	11
Rate.....	22.5	26.3	32.4	21.5	25.1	30.4	0.7	0.5	0.9	0.1	0.3	0.2	0.2	0.4	0.9
Utah:															
Number.....	140	121	165	135	115	157	2	4	6	2	2		1		2
Rate.....	27.0	23.5	32.2	26.1	22.3	30.7	0.4	0.8	1.2	0.4	0.4		0.2		0.4
Vermont:															
Number.....	73	66	74	70	63	71	2	3	3				1		
Rate.....	20.2	18.3	20.6	19.4	17.5	19.7	0.6	0.8	0.8				0.3		
Virginia:															
Number.....	615	609	693	592	561	656	17	37	25	1	4	4	5	7	8
Rate.....	25.2	25.0	28.5	24.3	23.0	27.0	0.7	1.5	1.0	(?)	0.2	0.2	0.2	0.3	0.3
Washington:															
Number.....	462	441	486	442	413	461	14	24	11		2	13	6	2	1
Rate.....	28.9	27.8	30.8	27.6	25.0	29.2	0.9	1.5	0.7		0.1	0.8	0.4	0.1	0.1
West Virginia:															
Number.....	390	341	437	382	332	427	7	5	4		1	1	1	3	5
Rate.....	22.0	19.4	25.0	21.5	18.9	24.4	0.4	0.3	0.2		0.1	0.1	0.1	0.2	0.3
Wisconsin:															
Number.....	677	692	792	627	624	731	35	57	41	10	5	14	5	6	6
Rate.....	22.6	23.3	26.7	21.0	21.0	24.7	1.2	1.9	1.4	0.3	0.2	0.5	0.2	0.2	0.2
Wyoming:															
Number.....	87	78	101	87	78	98			3						
Rate.....	37.7	34.1	44.3	37.7	34.1	43.0			1.3						

1 Included 96.3 percent of total population.

2 Less than one-tenth of 1 per 100,000 population.

3 Population Apr. 1, 1930; no estimate made.

4 Data for 1931 and 1932 for only 8 registration cities of Texas: Beaumont, Dallas, El Paso, Fort Worth, Galveston, Houston, San Antonio, and Waco.

## COSTS OF ACCIDENTS—AUTOMOBILE

"A billion and a quarter dollars a year would be saved in the United States if we would only cut out preventable accidents", says the Literary Digest for October 3, 1931. Sixty percent of this cost is declared to be avoidable. The National Safety Council estimates the cost of motor-vehicle accidents for 1934 to be \$1,570,000,000.

Another writer estimates a total economic loss from automobile accidents alone of \$2,500,000,000 a year, or five times as great as the gross funded debt of New York State. (Ernest Greenwood, Who Pays? p. 37.)

## COST OF INDUSTRIAL ACCIDENTS

For occupational accidents the cost of claims, medical service, hospitalization, and funerals is estimated by the National Safety Council at \$590,000,000 for 15,500 deaths per year, and approximately 1,334,500 nonfatal injuries. Add to this cost the economic loss due to slowing up of production, spoilage of materials, and injury to machinery, and you will have a total estimated by one authority of \$5,000,000,000 a year for the cost of industrial accidents—12 times the value of property destroyed each year by fire, twice as much as we spend on our public-school system.

## COST OF ACCIDENTS IN THE HOME

For the 4,767,000 personal injury nonfatal accidents and the 33,000 deaths resulting from injuries in the home, the

National Safety Council has estimated the cost at \$600,000,000 a year.

A table of estimated costs of accidents has been carefully prepared by Ernest Greenwood, whose other statistics I have already quoted. To quote Mr. Greenwood's table (appendix A, Who Pays?):

Authorities differ as to the economic loss due to occupational accidents (wage losses, medical expense, and the overhead cost of compensation insurance) but it has been placed at \$10,000,000,000 by the engineering department of the National Bureau of Casualty and Surety Underwriters. A careful and detailed analysis of 75,000 personal-injury industrial accidents indicates that the intangible loss—spoilage of material, injury to machinery, the general slowing down of processes, etc.—to be about four times this amount, which means that the actual cost of industrial accidents is about.....	\$5,000,000,000
The National Safety Council estimates that the wage loss, medical expense, and overhead cost of insurance in connection with 1933 fatal and nonfatal injuries in motor-vehicle accidents at about \$680,000,000. The intangible losses are at least three times this amount, bringing the cost of automobile accidents up to more than.....	2,500,000,000
The cost in wage loss, medical expense, and overhead cost of insurance of home accidents amounts to about \$550,000,000. It is difficult to estimate the intangible losses, but they must be at least twice this amount, making the total cost.....	1,650,000,000

Balance to cover the cost of transportation and public accidents other than motor vehicle.....	\$950,000,000
Total .....	10,000,000,000

## TREND OF ACCIDENTS

Faced with these staggering numbers and costs of accidents, we want to know what is the present trend in accidents. Are they increasing or decreasing with the increase in civilization's complexity?

## INCREASE IN MOTOR-VEHICLE ACCIDENTS

For automobile accidents the National Safety Council reports an increase in automobile accident deaths from 31,363 in 1933 to 35,550 in 1934. This is a percentage increase per 100,000 population of from 25.0 in 1933 to 28.1 in 1934.

Some authorities attribute the decrease in automobile-accident deaths which occurred between the years 1931 (32,429) and 1932 (28,361) to the depression and consequent more infrequent use of automobiles. But the number of automobile fatalities increased again in 1933 (31,363) over 1932, and still again in 1934 (35,550 estimate). This is an increase per 100,000 of population, an increase per 100,000 cars, and an increase per 10,000,000 gallons of gasoline consumed. If the increase in automobile-accident deaths were exactly in proportion to the number of automobiles in use, varying rates of accident deaths might be attributed to depression and recovery. But when the number of deaths increase per number of cars in use and number of gallons of gasoline consumed, the present trend toward a continued increase of automobile accident deaths becomes cause for alarm.

## MINNESOTA ACCIDENT RATES

The Minnesota Safety Council has just published some interesting statistics with reference to the trend of motor-vehicle accident fatalities in the State of Minnesota for the 5 years 1929 to 1933, inclusive. The figures show that regardless of panic or boom there were more motor-vehicle fatalities in 1933 than the peak boom year 1929. And the year 1931, the bottom year of the panic on the basis of national income, brought the highest number of motor-vehicle fatalities for the State of Minnesota. I am at this time offering no deductions of my own on the causes of increases and decreases. I am presenting the facts for observation and study:

## Motor-vehicle accident fatalities, Minnesota, 1933, Minnesota Safety Council

Section	Population (1930)	Motor vehicles (1932)	Motor vehicles (1933)	Deaths (1929)	Deaths (1930)	Deaths (1931)	Deaths (1932)	Deaths (1933)
Minneapolis.....	464,356	128,511	127,317	90	94	87	72	88
St. Paul.....	271,606	70,070	69,419	50	60	61	67	68
Duluth.....	101,463	20,787	20,634	28	27	20	19	19
Balance of State.....	1,726,528	487,781	483,208	389	403	479	366	386
Total.....	2,563,953	707,149	700,578	557	584	647	524	561

## Fatal motor-vehicle accidents by months, entire State

Month	1929	1930	1931	1932	1933
January.....	18	27	49	29	27
February.....	16	31	36	17	21
March.....	20	28	34	32	20
April.....	21	29	38	28	21
May.....	38	41	52	36	34
June.....	61	41	49	40	39
July.....	55	61	79	51	57
August.....	59	62	55	51	62
September.....	68	58	55	54	57
October.....	48	59	63	49	62
November.....	63	65	54	48	50
December.....	38	41	48	47	64
Railroad crossings and street cars.....	52	41	35	42	47
Total.....	557	584	647	524	561

For the first 5 months of 1934 the Minnesota Public Safety Committee reports motor-vehicle accident fatalities increased 57.7 percent over the first 5 months of 1933 in Minnesota. But during the last 7 months of 1934 the number of fatalities decreased 12 percent. The total

number of 1934 fatalities amounted to 628, an increase over the previous year. On May 18, 1934, the Minnesota public safety educational program was inaugurated at a meeting held at the State Capitol. The Minnesota public safety committee claims that this accounts for the sharp drop in the number of fatalities the last half of the year, in contrast to the record for the first half of the year.

## MONTH BY MONTH ANALYSIS FOR MINNESOTA

The actual month by month automobile accident fatalities for Minnesota tend to bear out the claims of the Minnesota public safety committee. I now present Minnesota's record for 1934 by months.

## Analysis of 1934 Minnesota motor-vehicle fatalities by Minnesota Public Safety Educational Committee

## MONTHLY VARIATIONS OF MOTOR-VEHICLE DEATHS IN MINNESOTA, COMPARING 1933 WITH 1934 DEATHS PER 10,000,000 GALLONS OF GASOLINE CONSUMED

Month	1933 deaths	Gallons of gasoline consumed	Rate per 10,000,000 gallons	1934 deaths	Gallons of gasoline consumed	Rate per 10,000,000 gallons
January.....	30	23,435,823	12.8	37	25,822,881	14.3
February.....	23	18,896,620	12.2	47	22,888,921	20.5
March.....	22	25,427,210	8.6	59	29,587,167	19.9
April.....	23	32,484,590	7.1	34	32,211,203	10.6
May.....	35	36,707,333	9.5	47	36,159,925	13.0
June.....	42	39,832,284	10.5	41	35,958,212	11.4
July.....	63	36,250,149	17.4	61	39,973,645	15.3
August.....	65	40,268,420	16.1	65	41,085,042	15.8
September.....	62	38,566,214	16.1	83	38,388,659	21.6
October.....	76	32,822,161	23.2	62	40,347,522	15.4
November.....	56	29,768,095	18.8	70	36,306,474	19.3
December.....	77	23,107,430	33.3	35	26,282,750	13.3
Total.....	574	377,566,379	15.2	641	405,012,401	15.8

The chart shows that there were 91 more deaths during the first 5 months of 1934 as compared with the same period of 1933, and 24 less deaths during the last 7 months of 1934 as compared with the same period of 1933. Increase in gasoline consumption for the period January through May 1934 as compared with the same period during 1933 was 7.1 percent. Increase in gasoline consumption for the period June through December 1934 was 7.4 percent over the same period in 1933.

## MOST DANGEROUS DAYS AND HOURS

The Travelers Insurance Co., of Hartford, Conn., reports that Sunday is the most dangerous day for automobile drivers; Saturday is second, and Tuesday last. The story for 1934 is told clearly in chart form:

## Days of occurrence of automobile accidents resulting in persons killed and injured in 1934

	Number of accidents	Percent	Persons killed	Percent	Persons injured	Percent
Sunday.....	153,470	17.4	7,380	20.5	164,090	17.2
Monday.....	117,300	13.3	4,500	12.5	127,840	13.4
Tuesday.....	106,720	12.1	3,920	10.9	116,390	12.2
Wednesday.....	109,370	12.4	4,250	11.8	119,250	12.5
Thursday.....	113,780	12.9	4,360	12.1	123,060	12.9
Friday.....	119,070	13.5	4,790	13.3	128,790	13.5
Saturday.....	162,290	18.4	6,800	18.9	174,580	18.3
Total.....	882,000	100.0	36,000	100.0	954,000	100.0

The most dangerous hour is from 5 to 6 in the afternoon, judging from the percentage of accidents which occurred during that hour. However, the fatality rate was higher for other hours. It is significant that from 6 a. m. to 6 p. m., the normal daylight hours, there were 459,510 automobile accidents, in which 15,050 persons were killed.; from 6 p. m. to 6 a. m., the normal hours of darkness, when the volume of traffic is one-fifth as great as in the daytime, 422,490 accidents occurred, in which 20,950 persons were killed. The rate of death per accident was 51.4 percent worse during the hours of darkness than during the hours of daylight. This means that the hours of darkness are several hundred percent more dangerous than the hours of daylight, although it is customary to drive just as fast at night as in the daytime.



This insurance company has pictured the dangerous hours in the form of a table:

Hours of occurrence of automobile accidents resulting in persons killed and injured in 1934

	Number of accidents	Percent	Persons killed	Percent	Persons injured	Percent
12 to 1 a. m.	29,900	3.4	1,440	4.0	32,440	3.4
1 to 6 a. m.	82,910	9.4	4,460	12.4	87,780	9.2
6 to 7 a. m.	11,470	1.3	610	1.7	11,450	1.2
7 to 8 a. m.	18,520	2.1	580	1.6	20,030	2.1
8 to 9 a. m.	23,810	2.7	720	2.0	25,760	2.7
9 to 10 a. m.	25,580	2.9	900	2.5	27,690	2.9
10 to 11 a. m.	32,630	3.7	900	2.5	35,300	3.7
11 to 12 a. m.	39,090	4.5	1,150	3.2	43,880	4.6
12 to 1 p. m.	37,930	4.3	1,080	3.0	41,970	4.4
1 to 2 p. m.	37,040	4.2	1,290	3.5	41,020	4.3
2 to 3 p. m.	44,100	5.0	1,480	4.1	47,700	5.0
3 to 4 p. m.	54,680	6.2	1,690	4.7	60,100	6.3
4 to 5 p. m.	66,150	7.5	2,270	6.3	71,550	7.5
5 to 6 p. m.	67,910	7.7	2,410	6.7	74,410	7.8
6 to 7 p. m.	59,980	6.8	2,740	7.6	64,870	6.8
7 to 8 p. m.	65,270	7.4	2,840	7.9	70,600	7.4
8 to 9 p. m.	59,090	6.7	2,950	8.2	63,920	6.7
9 to 10 p. m.	48,510	5.5	2,520	7.0	51,520	5.4
10 to 11 p. m.	38,810	4.4	1,910	5.3	41,970	4.4
11 to 12 p. m.	37,930	4.3	2,090	5.8	40,070	4.2
Total	882,000	100.0	36,000	100.0	954,000	100.0

#### TIME OF ACCIDENTS IN MINNESOTA

One-third of the fatalities in Minnesota last year occurred between the hours of 5 and 9 p. m. The hours between 6 and 10 a. m., although a period of heavy traffic are comparatively safe, accounting for only 6.2 percent of the fatal accidents. The suggestion is made by the safety committee that drivers are more alert and efficient at that time of the morning.

#### MINNESOTA'S ACCIDENT RECORD BY COUNTIES

A valuable table has been compiled by the Public Safety Committee of Minnesota to show the residents of each county the record of their county in the matter of accident prevention. This table shows the record from January 1 through December 31, 1934, and is published by the State emergency relief administration. It is entitled "Standing of counties on basis of 1934 automobile fatalities." Group A includes counties having 20,000 or more population:

Rank	County	Number killed	Population 1930 census	Rate per 100,000 population
1	Wright	1	27,119	3.69
2	Kandiyohi	1	23,574	4.25
3	Faribault	1	21,642	4.62
4	McLeod	1	20,522	4.87
5	Fillmore	2	24,748	8.08
6	Ottertail	6	51,006	11.76
7	Goodhue	4	31,317	12.77
8	Martin	3	22,401	13.39
9	Stearns	9	62,121	14.49
10	Redwood	3	20,620	14.56
11	Todd	5	26,170	19.10
12	Hennepin	109	517,785	21.05
13	Renville	5	23,645	21.19
14	Morrison	6	25,442	23.58
15	Washington	6	24,753	24.24
16	St. Louis	50	204,596	24.49
17	Winona	9	35,144	25.61
18	Rice	8	29,974	26.75
19	Crow Wing	7	25,627	27.25
20	Itasca	8	27,224	29.39
21	Clay	7	23,120	30.28
22	Ramsey	88	286,721	30.69
23	Beltrami	7	20,704	33.80
24	Freeborn	10	28,741	34.80
25	Becker	8	22,503	35.53
26	Mower	10	28,065	35.63
27	Carlton	8	21,232	37.68
28	Blue Earth	13	33,847	38.40
29	Olmsted	14	35,426	39.45
30	Pine	8	20,264	39.48
31	Brown	10	23,428	42.68
32	Polk	17	36,019	47.36
33	Dakota	17	34,592	49.12
	Total group A	461	1,860,095	24.78

Group AA includes counties having 10,000 to 20,000 population:

Rank	County	Number killed	Population 1930 census	Rate per 100,000 population
1	Swift	0	14,735	0
2	Waseca	0	14,412	0
3	Douglas	1	18,813	5.32
4	Lac qui Parle	1	15,393	6.49
5	Cottonwood	1	14,782	6.76
6	Norman	1	14,081	7.11
7	Houston	1	13,845	7.22
8	Roseau	1	12,621	7.92
9	Pennington	1	10,847	9.53
10	Stevens	1	10,185	9.82
11	Lyon	2	19,326	10.35
12	Yellow Medicine	2	16,625	12.03
13	Nicollet	2	16,550	12.09
14	Murray	2	13,992	14.38
15	Isanti	2	12,931	16.57
16	Le Sueur	3	17,990	16.66
17	Rock	2	10,962	18.24
18	Scott	3	14,116	21.25
19	Anoka	4	18,415	21.77
20	Chisago	3	13,189	22.75
21	Watsonwan	3	12,802	23.44
22	Marshall	4	17,003	23.51
23	Dodge	3	12,127	24.74
24	Sibley	4	15,865	25.21
25	Jackson	4	15,863	25.22
26	Cass	4	15,591	25.66
27	Benton	4	15,056	26.57
28	Aitkin	4	15,009	26.65
29	Steele	5	18,475	27.06
30	Meeker	5	17,914	27.86
31	Wabasha	5	17,613	28.40
32	Carver	5	16,936	29.52
33	Chippewa	5	15,865	31.52
34	Pipestone	4	12,238	32.68
35	Lincoln	4	11,303	35.39
36	Pope	5	13,985	38.21
37	Koochiching	7	14,078	49.72
38	Nobles	10	18,618	53.71
39	Wadena	6	10,990	54.59
40	Mille Lacs	9	14,076	63.94
	Total Group AA	133	592,899	22.43

Group AAA includes counties having less than 10,000 population:

Rank	County	Number killed	Population 1930 census	Rate per 100,000 population
1	Clearwater	0	9,546	0
2	Lake of the Woods	0	4,194	0
3	Wilkin	1	9,791	10.21
4	Red Lake	1	6,887	14.52
5	Kittson	2	9,688	20.65
6	Grant	2	9,558	20.92
7	Kanabec	2	8,553	23.37
8	Traverse	2	7,933	25.20
9	Big Stone	3	9,833	30.49
10	Hubbard	3	9,596	31.25
11	Mahnomen	2	6,153	32.50
12	Sherburne	4	9,707	41.21
13	Lake (arrowhead)	8	7,068	113.18
14	Cook (arrowhead)	4	2,435	164.67
	Total group AAA	34	110,959	30.64
	Grand total all counties	628	2,563,953	24.49

The grand total for all counties amounts to 628 fatalities due to motor vehicle accidents in Minnesota, making a death rate per 100,000 population of 24.49. The total population of the State is 2,563,953.

#### TREND OF OCCUPATIONAL ACCIDENTS

Whether it can be attributed to depression, employees' compensation, or the use of safety appliances, or a combination of these causes, the rate of occupational accident fatalities for the past several years decreased; but in 1934 there was an increase of 1,000, or 7 percent, over 1933. The National Safety Council estimates the total number of occupational accident fatalities as follows:

1928	19,000
1929	20,000
1930	19,000
1931	17,500
1932	15,000
1933	14,500
1934	15,500

## INDIVIDUAL COMPANY REPORTS TO THE NATIONAL SAFETY COUNCIL FOR 1933

Individual records of plants to community safety councils show that this increase cannot be due alone to increased employment. The injury frequency rates rose 14 percent over 1933, and the severity rates went up 37 percent. There is some reason for this increase in accident frequency. It may be that false economy policies have been inaugurated on safety devices.

Individual company reports to the National Safety Council for 1933 show the injury rates by character of injury and by industry (from Greenwood, Who Pays? appendix H):

Accidental injury rates, by character of injury, and by industry, 1933

Industry	Frequency rates				Severity rates			
	Total	Fatal and permanent total	Permanent partial	Temporary	Total	Fatal and permanent total	Permanent partial	Temporary
Total.....	14.56	0.16	0.63	13.77	1.59	0.94	0.38	0.27
Tobacco.....	1.43	.06	.06	1.31	.36	.34	.01	.01
Cement.....	4.79	.23	.84	3.72	2.39	1.37	.83	.19
Laundries.....	5.77	0	0	5.77	.12	0	0	.12
Printing and publishing.....	5.91	.05	.26	5.60	.47	.32	.07	.08
Public utilities.....	8.70	.20	.17	8.33	1.53	1.19	.17	.17
Textile.....	8.90	.02	.39	8.49	.44	.11	.19	.14
Machinery.....	9.22	.03	.74	8.45	.75	.21	.35	.19
Glass.....	9.85	.02	.36	9.47	.52	.13	.22	.17
Chemical.....	10.46	.18	.64	9.64	1.67	1.10	.41	.16
Nonferrous metals.....	11.24	.14	1.24	9.86	1.89	.82	.83	.24
Steel.....	11.32	.16	.94	10.22	1.91	1.00	.57	.34
Rubber.....	11.71	.08	.56	11.07	1.09	.46	.34	.29
Petroleum.....	12.85	.21	.50	12.14	1.89	1.28	.23	.28
Tanning and leather.....	13.66	.02	.27	13.37	.43	.11	.16	.16
Sheet metal.....	14.52	.07	1.36	13.09	1.27	.39	.67	.21
Marine.....	15.11	.20	.59	14.32	2.05	1.20	.40	.45
Miscellaneous metal products.....	15.41	.06	.78	14.57	1.00	.32	.43	.25
Food.....	15.96	.10	.78	15.08	1.22	.58	.40	.24
Quarry.....	16.42	1.00	.22	15.20	6.68	5.99	.21	.48
Woodworking.....	18.26	.17	.70	17.39	1.56	1.00	.30	.26
Electric railway.....	19.40	.17	1.29	17.94	1.67	1.00	.44	.23
Automobile.....	19.41	.06	.71	18.64	1.02	.39	.35	.28
Paper and pulp.....	19.47	.13	.93	18.41	1.70	.78	.60	.32
Foundry.....	22.52	.05	1.07	21.40	1.35	.31	.60	.44
Refrigeration.....	25.30	.09	.26	24.95	1.33	.53	.22	.58
Clay products.....	27.10	.09	.37	26.64	1.33	.55	.31	.47
Meat packing.....	30.81	.09	.90	29.82	1.19	.51	.30	.38
Construction.....	55.66	.62	1.09	53.95	5.76	3.71	1.19	.86
Lumbering.....	59.67	.41	1.23	58.03	5.00	2.47	1.36	1.17
Mining.....	65.28	1.01	1.84	62.43	9.17	6.07	1.50	1.60

Source: Individual company reports to the National Safety Council.

## "SAFE AT HOME"

Although the appalling figure of 4,000,000 personal-injury accidents incurred in and around the home each year creates an economic loss of about \$550,000,000 per year, the trend of accidents in the home has not been a subject for alarm. Modern improvements are in most cases sources of accident prevention, and the home has been considered a safer place than it used to be. However, the National Safety Council reports for 1934 the highest rate in history, 33,000 deaths, and a total of 4,800,000 injuries and deaths, involving a cost of \$600,000,000. A year of excessive heat was responsible for a large share of the increase.

## CAUSES OF ACCIDENTS IN THE HOME

It is interesting to note that nearly half of the deaths due to accidents in and around the home result not from modern appliances which would appear to be dangerous but from falls, most of which occur on steps, with slippery rugs, walks, bathtubs, ladders, chairs, tables, and windows bearing their responsibility for accidents in the order mentioned. Three-fourths of such falls are suffered by persons over the age of 65; less than 10 percent by children under 4 years, and about 17 percent by children between 5 and 15 years of age (from Who Pays? p. 58).

## CAUSES OF AUTOMOBILE ACCIDENTS

There is some disagreement about the major causes of automobile accidents, but it is generally agreed that the

principal cause of accidents is not the automobile itself, the condition of the roads, or other external factors. The largest share of blame rests squarely on the driver.

One estimate is that about 99.4 percent of the fault lies with the drivers and six-tenths of 1 percent of the accident rate is due to other causes. A more lenient estimate blames the driver for 85 percent of the accidents.

## CONDITION OF VEHICLES IN ACCIDENTS

The great majority of motor vehicles involved in accidents are in apparently good condition, as shown by the following insurance company table:

Condition of motor vehicles in accidents resulting in persons killed and injured in 1934

	Vehicles in accidents	Percent	Vehicles in fatal accidents	Percent	Vehicles in non-fatal accidents	Percent
In apparently good condition.....	1,190,140	93.9	40,950	92.1	1,149,190	93.9
Brakes defective.....	20,470	1.6	890	2.0	19,580	1.6
Steering mechanism defective.....	5,080	.4	180	.4	4,900	.4
Glaring headlights.....	6,700	.5	580	1.3	6,120	.5
One or both headlights out.....	6,470	.5	350	.8	6,120	.5
Tail-light out or obscured.....	6,340	.5	220	.5	6,120	.5
No chains (wet and slippery road).....	21,330	1.7	530	1.2	20,800	1.7
Other defects in equipment.....	2,670	.2	220	.5	2,450	.2
Puncture or blow-out.....	7,740	.6	400	.9	7,340	.6
Miscellaneous.....	1,360	.1	140	.3	1,220	.1
Total.....	1,268,300	100.0	44,460	100.0	1,223,840	100.0

## THE DRIVER'S COMMON FAULTS

Another table shows what the driver did to cause the 561,000 accidents in which he was at fault. In addition to the information given in the table, it is estimated that 3.16 percent of the drivers involved in accidents were under the influence of liquor, as against 2.43 percent in 1933. At the same time 4.47 percent of the pedestrians involved were under the "influence" as against 2.99 percent in 1933.

	Number of accidents	Percent	Persons killed	Percent	Persons injured	Percent
Exceeding speed limit.....	123,980	22.1	6,850	31.0	134,300	22.1
On wrong side of road.....	92,570	16.5	3,470	15.7	102,090	16.8
Did not have right-of-way.....	136,880	24.4	2,740	12.4	159,220	26.2
Cutting in.....	19,630	3.5	460	2.1	22,490	3.7
Passing standing street car.....	2,810	.5	180	.8	3,040	.5
Passing on curve or hill.....	9,540	1.7	470	2.1	10,330	1.7
Passing on wrong side.....	2,800	.5	70	.3	3,040	.5
Failed to signal and improper signaling.....	28,610	5.1	220	1.0	33,420	5.5
Car ran away—no driver.....	3,370	.6	240	1.1	3,040	.5
Drove off roadway.....	60,590	10.8	3,820	17.3	57,120	9.4
Reckless driving.....	53,290	9.5	2,740	12.4	55,300	9.1
Miscellaneous.....	26,930	4.8	840	3.8	24,310	4.0
Total.....	561,000	100.0	22,100	100.0	607,700	100.0

The 1934 analysis of Minnesota motor-vehicle fatalities, by the Minnesota Public Safety Educational Committee, furnishes a good guide to the common faults of which drivers are guilty. The analysis shows that of the 722 drivers involved in fatal accidents 51 percent were traveling straight ahead on the highway. Most of the accidents resulted from collisions with pedestrians. Seventeen and two-tenths percent of the drivers were traveling too fast.

In this connection it should be noted that some faults are much more dangerous than this table would indicate. For instance, 75 percent of the drivers passing on a hill might be involved in accidents, but the percentage of drivers passing on a hill is small and therefore the accident rate from this cause appears small in comparison.

## CONDITION OF DRIVER

Apparently 85 percent of the Minnesota drivers involved in fatal accidents were in good physical condition. I will



give the statistics showing the condition of drivers involved in accidents. This is the 1934 analysis of Minnesota motor-vehicle fatalities, by the Minnesota Public Safety Educational Committee.

	Number of drivers	Percent
Apparently good.....	618	85.8
Evidence of liquor.....	80	11.1
Had physical defect.....	7	.9
Was asleep.....	7	.9
Extremely fatigued.....	10	1.3
Total.....	722	100.0

#### PEDESTRIAN FAULTS

Although the driver is guilty of most accidents, the pedestrian is not without faults of his own. Pedestrians crossing between intersections are responsible for over a fourth of the automobile-pedestrian fatalities. The Minnesota public safety educational program has determined that this condition arises from the fact that motor vehicles travel at a faster rate between intersections, and drivers are not expecting hazards at such places. Also, the relative darkness between intersections at night is considered important. About half of the pedestrians killed on rural highways had been drinking. The other fatalities were caused by pedestrians who walked with traffic or where they could not be seen at night.

It is estimated that in 1934 nearly half of all persons killed in automobile accidents were pedestrians. In some cases they were themselves partially or wholly at fault. Common faults of pedestrians are shown in the following insurance company table:

#### Actions of pedestrians resulting in persons killed and injured in 1934

	Pedestrians in accidents	Percent	Pedestrians killed	Percent	Pedestrians injured	Percent
Crossing at intersection:						
With signal.....	9,910	3.5	190	1.2	9,720	3.6
Against signal.....	32,960	11.5	1,100	6.9	31,860	11.8
No signal.....	39,730	13.9	1,930	12.1	37,800	14.0
Diagonally.....	4,700	1.6	380	2.4	4,320	1.6
Crossing between intersections.....	72,070	25.2	4,310	27.0	67,760	25.1
Waiting for or getting on or off street car.....	3,070	1.1	100	.6	2,970	1.1
Standing on safety isle.....	1,130	.4	50	.3	1,080	.4
Getting on or off other vehicle.....	3,750	1.3	240	1.5	3,510	1.3
Children playing in street.....	47,960	16.8	1,800	11.3	46,160	17.1
At work in roadway.....	6,100	2.1	430	2.7	5,670	2.1
Riding or hitching on vehicle.....	5,000	1.8	410	2.6	4,590	1.7
Coming from behind parked car.....	36,060	12.6	1,500	9.4	34,560	12.8
Walking on rural highway.....	13,220	4.6	2,690	16.9	10,530	3.9
Not on roadway.....	6,040	2.1	370	2.3	5,670	2.1
Miscellaneous.....	4,230	1.5	450	2.8	3,780	1.4
Total.....	285,930	100.0	15,950	100.0	269,980	100.0

#### AGE AS A CAUSE FOR ACCIDENTS

This company's analysis shows that the ratio of drivers under 18 in fatal accidents to the total of that group in all accidents was 65 percent worse than the average for all drivers, or 3 percent greater than in 1933. Between the ages of 18 and 24 the ratio was 27 percent worse, or 5 percent greater than in 1933. Between the ages of 25 and 64 years the ratio was 11 percent better than the average, an improvement of 2 points over 1933. In the ages over 65, the 1934 experience was 104 percent worse than the average, an improvement of 18 points. It is estimated that drivers under 18 years of age cause 1.4 percent of all automobile accidents, 22.6 percent of the accidents are caused by drivers from 18 to 24 years of age, 75.1 percent by drivers from 25 to 64, and 0.9 percent by drivers 65 and over.

The Minnesota experience with reference to age as a cause for automobile accidents is shown by a table published by the Minnesota Public Safety Committee:

#### Number of persons killed in automobile accidents by age groups during 1934 in Minnesota

Number of persons and type of accident	Ages 0-4	Percent	Ages 5-14	Percent	Ages 15-64	Percent	Ages 65 and over	Percent
Total, 628.....	15	2.4	49	7.8	470	75.0	94	14.8
Motor vehicles in collision with—								
Pedestrian.....	7	46.8	37	75.5	142	30.2	60	63.8
Another motor vehicle.....	1	6.6	8	16.3	137	29.2	13	13.8
Railroad train.....	2	13.4	0	0	30	6.5	5	5.3
Interurban or electric car.....	0	0	0	0	5	1.1	0	0
Bicycle.....	1	6.6	2	4.1	5	1.1	0	0
Horse-drawn vehicle.....	0	0	0	0	2	.4	0	0
Other vehicle.....	0	0	0	0	2	.4	1	1.1
Fixed object.....	1	6.6	0	0	81	17.2	9	9.6
Noncollision.....	3	20.0	2	4.1	64	13.5	6	6.4
Total.....	15	100.0	49	100.0	470	100.0	94	100.0

#### OTHER FACTORS INVOLVED IN TRAFFIC ACCIDENTS

Road location: More people are killed in accidents on highways than at any other road location, although the largest number of accidents occur at street intersections, as shown by the insurance company table:

#### Road location of automobile accidents resulting in persons killed and injured in 1934

	Number of accidents	Percent	Persons killed	Percent	Persons injured	Percent
Between intersections.....	286,650	32.5	8,350	23.2	321,500	33.7
Rural intersections.....	28,220	3.2	1,330	3.7	28,620	3.0
Highway.....	167,580	19.0	13,790	38.3	160,270	16.8
Driveway.....	3,530	.4	360	1.0	3,820	.4
Curve.....	42,340	4.8	4,000	11.1	42,930	4.5
Street intersections.....	336,040	38.1	6,440	17.9	379,690	39.8
Railroad crossing.....	5,290	.6	1,190	3.3	4,770	.5
Bridge.....	12,350	1.4	540	1.5	12,400	1.3
Total.....	882,000	100.0	36,000	100.0	954,000	100.0

In addition to faults of both driver and pedestrian there are other causes for automobile accidents, including lack of proper laws and poor enforcement. Nineteen States have no drivers' license requirements. Seven States have no minimum-age requirements. Twenty-six States do not require a driver to come to a full stop at a railroad crossing. Thirteen States permit passing on hills and curves. Thirty-four States do not require a driver to dim his headlights on the approach of another vehicle. One expert estimates the cost of traffic accidents due to poor illumination at \$275,000,000 (from Ernest Greenwood, Who Pays?).

#### PANIC AND DEPRESSION A CAUSE FOR ACCIDENTS

I am informed that in a certain city the appropriation for lighting of streets was reduced as of April 1, 1932. Thirteen fatal night accidents had occurred during the previous 15 months. During the following 15 months there were 18. Throughout the entire time when lighting was curtailed, a period of 21 months, fatal night accidents increased 80.5 percent.

#### FALSE ECONOMY AT THE EXPENSE OF HUMAN LIFE

In the city of Detroit street-lighting appropriations were reduced 33 1/3 percent beginning on January 1, 1932, in the interest of "economy." The result was that 23 more night fatalities than before occurred during the first 5 months of the year. At the same time the day fatalities decreased 33 1/3 percent. At the end of 10 months night fatalities had increased 63 percent over 1931, and the loss of 35 lives was definitely attributed by the authorities to the reduced appropriation for lights. The appropriation was then restored, followed by a decrease in the first 5 months of 1933—when the lights had been restored—of 16 percent. Eighteen lives were saved by abandoning the false-economy policy. At the same time day traffic fatalities actually increased in Detroit (from Greenwood, Who Pays?).

#### LACK OF LAW ENFORCEMENT A CAUSE

Poor enforcement of laws are certainly a cause of accidents. However, the enforcement of laws is linked with

the violation of laws, and in the final analysis reverts back to the faults of the driver, the major cause of motor-vehicle accidents.

#### CAUSES OF OCCUPATIONAL INJURIES

In occupational injuries as well as motor-vehicle accidents the false economy policy is in a large measure directly responsible for death. Linked with the economy policy is the desire for profits on the part of large industrialists, and the consequent delay and indifference in the matter of providing employees with safety, and carelessness adds to the number of accidents caused by willful neglect.

#### APPEAL TO THE POCKETBOOK

When employers can by education be shown that their expenses are actually reduced by accident-saving devices and employees' compensation, they are naturally glad to respond. This, in a large measure, accounts for the reduction in occupational injuries year by year.

If an accident occurs in a large plant, which results in a personal injury, such accident can usually be traced to inefficiency or the method of production. In either case, if a system of compensation is in effect and the employee must be paid for his injury, there is a tendency on the part of the employer to investigate the causes of the accident. The investigation will doubtless reveal many similar cases of inefficiency which did not result in accident but did result in loss of time and profits. Therefore, the conditions which brought about one accident and many other cases of inefficiency may be corrected.

#### MACHINERY AND SPEED

As speed on the highway is a cause for motor vehicle accidents, so the desire for speed in industrial production is a cause for occupational accidents. The stretch-out system, whereby one operator is compelled to operate more machines, again in the interest of economy, is a source of accident as well as danger to the health and well-being of workers. Generally speaking, the industrial accident rate has decreased because it has been realized that safety and efficiency go hand in hand.

#### REMEDIES FOR ACCIDENTS

I have presented to you the staggering data showing injury and death by accidents, and in some cases called attention to alarming trends. I am not advocating any one remedy, but I am advocating the study of these facts and figures, and the realization that remedies must be found.

#### MINNESOTA SETS RECORD IN REDUCING ACCIDENTS

My own State of Minnesota is receiving wide recognition for its rapid development of an organized attack on traffic accidents. I have already mentioned the decrease in accidents in Minnesota for the last 7 months of 1934. The State reports an increase of 57.7 percent in motor-vehicle deaths during the first 5 months of 1934 over 1933. Then on June 1, 1934, our drivers' license law became effective, and the safety committee started its work, inaugurating a program of safety activities. For the remaining 7 months of the year the State reports a decrease of 12 percent from 1933 accidents. From an increase of 57.7 percent to a decrease of 12 percent is a very large drop. It is, in fact, the best record made by any State in accident reduction, according to information given me by the F. E. R. A.

#### PROOFS THAT ACCIDENTS CAN BE REDUCED

Against the dark background of increase in total motor-vehicle fatalities, there are numerous bright spots which provide proof that traffic accidents can be reduced. Some of the proofs furnished me by the office of the F. E. R. A. Traffic Survey Director are:

First. Schoolchild pedestrians: Compared to 1927, children aged 5 to 14 have reduced their toll over one-fourth. Contrasted to this is an increase for persons aged 15 to 64 of about 26 percent.

Second. Commercial drivers: While the death toll for drivers of passenger automobiles has increased since 1927 by about 50 percent, deaths involving taxicabs have been reduced over 40 percent, and for busses the reduction has been about one-quarter.

Third. Trains and trolleys: Deaths from collisions involving trains and trolleys have decreased about one-fifth since 1927.

Fourth. Cities: A number of cities have shown a downward trend of fatal accidents for several years. Among these are Pittsburgh, Providence, Evanston, Milwaukee, and New York. About one-third of the 80 cities over 100,000 in population submitting accident data to the United States Census Bureau, reduced their fatalities in 1934 as compared to 1933.

Fifth. States: Rhode Island has shown a downward trend since 1927, the year 1934 being one-sixth below that of 1927.

Sixth. Rural-urban contrast: The much better trend of urban fatalities as compared to rural, has already been mentioned.

Seventh. License-law States: According to an analysis by the National Safety Council, States having standard license laws with examinations have shown since 1926 an approximately 25-percent reduction in death rate per million gallons of gasoline consumed, while the death rate in other States increased 14 percent.

Eighth. Traffic-control devices: In numerous places, analysis of "before and after" records has shown that well-designed and properly used traffic-control devices, with proper supervision, have reduced accidents. In Philadelphia stop signs reduced accidents over 50 percent, and slow signs by about one-third. A flexible progressive signal system on North Broad Street reduced fatal accidents from 23 to 12 in the year after installation.

Ninth. Highway improvements: In practically every State there are numerous examples of highway improvements which have reduced accidents. Mention has been made of the better accident records on divided highways as compared to undivided roadways.

Yes, there is ample proof today that we do not have to accept this gruesome toll—but there must be a will to reduce it, if desired results are to be achieved.

#### UNIFORM FEDERAL HIGHWAY LAWS

The work of the Minnesota Public Safety Committee is encouraging. Doubtless many similar commissions are being established in other States. Passing of uniform Federal highway laws, more efficient enforcement, further improvement of highways and signals, and many other remedies are being urged. But the most important remedy is yet to be found: A successful method of teaching the irresponsible to respect the rights and the lives of other people.

I wish to insert here certain recommendations submitted by the Minnesota Public Safety Committee for the reduction of traffic accidents:

We recommend adoption of a system that will afford the proper reporting of traffic accidents.

Our records show that 369, or 51.1 percent, of the drivers involved in fatal traffic accidents were traveling straight ahead on the highway. The fact that more than half of the number of drivers involved in fatal injuries come under this classification indicates the need for a program of education as to the hazard involved on the straight road, the program to be much along the lines of the program carried out regarding passing on curves and hills.

The record further shows that 47, or 6.5 percent, of the drivers either drove or were crowded off the roadway, indicating the need of an educational campaign to eliminate the common practice of cutting in.

The record shows that there were 43, or 6 percent, hit-and-run-driver accidents, indicating the need of arousing public sentiment to insure prosecution of those guilty of this lack of consideration for their fellow men.

#### ILLUMINATION

A large percentage of the fatal accidents, especially to pedestrians, occurred during the dark hours, which situation can be materially corrected by a careful study of street lighting in cities and villages. With the thought in mind of determining whether the lighting afforded is a factor in the causes of these accidents, city and county officials should check the locations at which automobile accidents have occurred.

Pedestrian deaths can be curtailed by the exertion of more care on the part of the automobile driver, and a continuous campaign of education through the press, the radio, schools, civic organizations, homes, and every other possible contact.

#### GRADE CROSSINGS

The motor vehicle-railroad classification shows that 37 persons were killed in 24 accidents at railroad grade crossings. Thirteen of



these accidents, which caused 25, or 67.6 percent, of the fatalities, occurred at railroad grade crossings which were not protected with automatic signals, watchmen, or stop signs, but did have proper State regulation signs in place. If the drivers of the automobiles had attempted to cross these railroad crossings cautiously, these lives would have been saved. The Federal Government proposal for separation of railroad and highway crossings should be extended as far as possible. New highway railroad grade crossings should not be opened without giving full consideration to the safety of and need for such additional crossings.

#### GRADE SEPARATION

Consideration should be given by the State and local government units to the use of Federal work relief funds for the separation of grades at important highway intersections, as well as the use of such funds for the elimination of dangerous curves, the widening of shoulders, and the provision of other protective devices. Both State and Federal Governments are moving in that direction.

An effort should be made to provide, as soon as possible, for the completion of the traffic-control plans of the cities of St. Paul, Minneapolis, and Duluth to further curtail the number of deaths occurring in these cities.

Careful study of the causes of the 628 traffic accident fatalities for 1934 suggests the necessity for action as follows:

#### ENGINEERING RECOMMENDATIONS

Make such reasonable improvements in the physical characteristics of streets and highways as to provide a maximum of safety.

Provide for proper mechanical inspection and maintenance of motor vehicles.

#### EDUCATION

Continue the program of public-safety education as outlined in our plan, carrying it through every possible medium into the homes, schools, factories, and farms.

#### ENFORCEMENT

The largest reduction in motor-vehicle fatalities will be obtained when the law-enforcing agencies of the State, the cities, and the counties realize their obligation to the public to see that the laws pertaining to the safe operation of a motor vehicle are enforced without fear or favor. It is suggested that when the highway patrolman, the sheriff, or the police officer has fulfilled his duty by apprehending the violator of the safety laws of the State or city, he be upheld in the municipal and district courts, not with the idea of penalizing the individual driver, but to make possible the saving of human life and limb by curtailing thoughtless and oftentimes reckless driving on our streets and highways.

I urge that full consideration be given to the adoption of a standard drivers' license law for the State of Minnesota as recommended by the National Conference on Street and Highway Safety of the United States Department of Commerce and the National Safety Council, renewable either annually or biannually, and that the provisions of such a law be enforced in the interests of safety.

Appreciation is expressed for the fine work of the Minnesota highway patrol, composed of men trained in first aid and in general automobile mechanics, who afford real help and service to the motoring public.

The support of all of our citizens interested in public-accident prevention is needed to make more effective the highway patrol and other traffic law enforcement agencies as mediums of accident prevention.

#### SCHOOLS TEACH SAFETY—TEACHERS AID CHILDREN

The little rime taught by school teachers to children might well be remembered by adults:

Stop, look, and listen before you cross the street;  
Use your eyes, use your head, and then use your feet.

#### ILLUSTRATIONS OF SUCCESSFUL REMEDIAL MEASURES

There is no one panacea for reducing accidents. I have given this matter careful study and have come to the conclusion that what is needed is not a National Safety Week or some other temporary splurge but continuing activities constructed along intelligent lines, and particularly programs which have already proven their value in other places.

#### F. E. R. A. ACTS

One of the first needs in tackling traffic problems in each community or State is getting the facts. I was much pleased to learn about the traffic survey work which the F. E. R. A. has been sponsoring. Perhaps 100 cities have been making or are now making such fact-finding studies.

A very extensive manual has been prepared for the guidance of local survey directors in making and analyzing these studies. This is a very intelligent use of our relief funds and it should be strongly urged upon communities throughout the country which have not already taken advantage of this plan for reducing accidents.

Several of the leading traffic specialists of the country are serving through the F. E. R. A. as advisers to communities in

the conduct of these surveys and in getting results from the survey.

#### UNIFORMITY OF TRAFFIC LAWS

One of the major needs is for uniform traffic laws so that when we travel in our automobiles from State to State we shall not find ourselves criminals in one State for things which we have learned in our own State and which are not "crimes" at home.

For some years traffic specialists from all over the country have gathered in Washington and have developed a uniform vehicle code which each State should adopt. In addition, there is a model traffic ordinance for cities, which sets up appropriate local regulations, and some recommendations on types of organizations and methods which are necessary successfully to cope with the traffic problem. Furthermore, this same group has developed standards for traffic signs, stop-and-go signals, road markings, and so forth. If we could get these uniform laws and standards adopted throughout the country, and if they were intelligently and effectively administered, it would go a long way in the reduction of accidents.

Some of our States, even some very prominent ones, do not even require a person to be licensed in order to drive an automobile on our highways. All the person has to do is to buy an old wreck of a car, step on the gas, and let the public beware. Yet several studies have shown that States having drivers' license laws, properly administered, have done much better in reducing accidents than have the States without drivers' license laws.

Can you imagine a railroad picking up the first man who happened to desire to be an engineer, putting him into the cab, and telling him to go ahead? Yet the train cannot leave its tracks. It does not have to be steered, while the automobile—many times more of a killer than the train—requires most experienced steering under numerous conditions.

#### OUTLINE OF PLAN FOR FUTURE

A well-rounded attack on the accident situation must be made in five different fields:

1. Sensible legislation.
2. Effective organization of State and municipal forces to cope with the various phases of the problem and unswervingly progressive administration of their efforts.
3. Traffic engineering, including the proper design of streets and highways, their marking, proper use of signals, development of plans for regulation, continuing conduct of fact-finding studies, and so forth.
4. Strict and businesslike enforcement, giving particular attention, however, to two matters which are all too little being realized, namely:

(a) That the largest part of the enforcement job in traffic is really a job of education.

(b) Concentrating the energy of police and court in traffic-law enforcement on driving violations and on the worst of these, rather than upon minor first offenses such as over-time parking, which have very little to do with our serious accident situation and relatively little to do even with the congestion on our streets.

5. Education—generally considered the keystone of the arch—is the most needed of all activities to reduce accidents. Education has proved its value in many ways, some of which I have already mentioned. The school safety patrols, sponsored largely by the American Automobile Association, are a symbol of the accomplishment among grade-school children. The same national motoring association is now sponsoring a course for use in high schools to teach and train youngsters so that we may have a generation of better drivers of automobiles. The major appeal being made is to good sportsmanship.

Adult education is at once the most needed and most difficult type. However, much can be done even with adults if there is the will to do. I believe the pamphlet Guides to Traffic Safety, developed by the National Conference on Street and Highway Safety, contains many worth-while recommendations.

## HOPKINS HELPS

Harry L. Hopkins is driving ahead with his usual energy to obtain better traffic results all along the line, and I am glad to say that I find all Government agencies, State and National, sympathetic and willing to aid in the solution of injury and death from accident problems.

## THE INJURED ARE MADE VICTIMS OF AMBULANCE-CHASING CORPORATIONS

In the wake of accidents lie huge profits for large insurance corporations—profits wrung from accident victims. Representatives of these heartless corporations rush to the scene of the accident like vultures to the dead, and with promises of, "We're here to help you—of course you have no case—don't bother with lawyers—we'll see that you get something", so induce the dazed accident victim to release the party responsible for the accident from all obligation. This is "ambulance chasing" in its most vicious, systematic, developed form.

## SEE YOUR LAWYER FIRST

I want to say that I have taken a special interest in workmen's compensation and accident legislation while a State representative from 1910 to 1914. I successfully piloted through the Minnesota Legislature in the 1911 session a bill to increase the value of human life from \$5,000 to \$7,500 in case of death by wrongful act. Millions have been paid to widows and orphans under that law. We tried to place the value at \$10,000; \$7,500 was the best we could do at that time. I was engaged in this legislative work at the same time that I was practicing law, handling many injury and death cases in the courts, and I am familiar with these laws and remedies proposed. The same experience in a larger field comes to me as a Member of Congress and a practicing attorney in the city of Minneapolis, and I say that something must be done to remove the corporation and claim agent ambulance-chasing curse.

## AMBULANCE CHASING CORPORATION CLAIM AGENTS

The worst offenders, the most contemptible ambulance chasers of all, are the large corporations who at the same time slander the legal profession by charging attorneys as a class with the same offense. A few attorneys may have violated the ethics of the bar in this respect. These wrongs are infinitesimal compared with the unscrupulous methods of ambulance-chasing corporations.

When one of these ambulance-chasing representatives of an insurance company approaches an accident victim with a promise of fifty or a hundred dollars compensation, that should be the signal for the injured victim to see his lawyer and collect the five hundred or a thousand dollars or more which is rightfully due him. Under no circumstances should he sign the insurance company's release without consulting his lawyer first.

## LAWYERS WILL DONATE THEIR SERVICES

The great body of lawyers are honorable men. There are any number of my fellow members of the Minneapolis, Twin City, and Minnesota Bar who will consult with accident victims and give them the benefit of their expert advice without charging a cent for advice. That is why I say to an accident victim, "Always see your lawyer first."

## APPEAL FOR NATIONAL ACTION

The Seventy-fourth Congress must pass much-needed national legislation along these lines. We must not adjourn without moving in the direction of national uniform safety laws. The death roll must be cut down. Death now rides at the wheel. The number of injuries is colossal; the number of deaths and injuries beyond comprehension. Good government and good American common sense will in great measure solve all of these traffic and industrial problems, and the greatest industrial nation in the world will some day place on its statute books the best code of safety laws, rules, and regulations—a guide for our country in this campaign for safety-first legislation.

Mr. LUDLOW. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. Crowe].

Mr. CROWE. Mr. Chairman, I am at this time taking some time on the floor because of some statements made yesterday afternoon concerning the use of building stone

material for Federal buildings and for other purposes of the Government. My home is in Bedford, Lawrence County, Ind. A large amount of limestone is quarried in that county. I wish to say in that connection that the Indiana limestone belt, which I partly represent, has its troubles. Distress is on every hand. Loss of homes because of unemployment, even hunger in spite of generous relief abounds. They are disposing of only a small amount of stone today and not any greater percentage of former output than other building stone and other building materials are selling.

In that connection, in 1928, 25,000 carloads of Indiana limestone were used. In 1934 less than 4,000 carloads were used. Nineteen thirty-five bids to use even a still less amount. In 1928 there were 16,000 employable people in those two counties where this stone belt lies. At that time eleven and one-half thousand of those people were used in the stone industry and other industries which had to do with the stone business. Today there are less than 700 men employed in the entire industry, which is only approximately 6 percent of normal, and means 94 of each hundred formerly employed now unemployed or on relief. Because of that fact we have today 5,287 families on the relief rolls. They constitute 31.17 percent of the entire population of those two counties. So we are as hard hit as any building-stone industry district in the United States.

Now, it has been pointed out that certain recent Government buildings in the city of Washington are not properly constructed of worthy material. With this I want to take issue. I defy anyone, any place, to successfully contradict the statement that you cannot find finer or better buildings, or buildings that are more nearly worth the money expended for them, than you will find in the triangle group down Pennsylvania and Constitution Avenues. No undue proportion of the money spent for those buildings went to the Indiana limestone district or to the State of Indiana.

Mr. ARNOLD. Will the gentleman yield?

Mr. CROWE. I yield.

Mr. ARNOLD. The statement was made on the floor yesterday to the effect that this stone was produced largely by scab labor and not organized labor. What can the gentleman tell us about that?

Mr. CROWE. I am glad the gentleman asked that question. I will be glad to pursue that in just a moment, as I have some figures on the question.

First, however, I want to take three buildings in this triangle group, on which I have some figures, covering the Nation-wide distribution of the total expenditures—namely, the Department of Labor Building, Interstate Commerce Commission, and the Post Office Department Buildings. Those three buildings cost \$21,000,000. The expenditure for those buildings went out as follows:

The estimated cost of \$21,000,000 as the total for the architectural and engineering services and construction of the group of buildings erected in Washington, D. C., to house the Department of Labor, Interstate Commerce Commission, and Post Office Department, it has been shown upon analysis of the expenditures thereunder, was distributed over a wide range of territory in a number of States from which the various materials and items of equipment used were furnished.

The distribution of this total for the District of Columbia and the States is shown by the following table. A similar distribution of the expenditures will also be found to occur from buildings constructed by the Federal Government in other localities:

Alabama	\$30,000
Arkansas	160,000
California	500,000
Connecticut	600,000
Delaware	40,000
Georgia	100,000
Illinois	400,000
Indiana	2,500,000
Maryland	850,000
Maine	50,000
Massachusetts	300,000
Michigan	1,100,000
Minnesota	600,000
Missouri	200,000
New Hampshire	400,000
New Jersey	890,000
New York	1,250,000
North Carolina	100,000
Ohio	850,000
Oregon	50,000



Pennsylvania .....	\$2,500,000
South Dakota .....	10,000
Tennessee .....	650,000
Vermont .....	300,000
Virginia .....	1,000,000
West Virginia .....	170,000
Wisconsin .....	400,000

## Twenty-seven States—

Transportation .....	2,000,000
District of Columbia .....	3,000,000
This latter mostly for construction labor at building site.	
	21,000,000

In other words, only one-seventh of the total was spent for construction labor at the site and the remainder distributed over 27 States.

## Mill employees

	Per hour
Stonecutters .....	\$1.00
Carvers .....	1.12½
Planermen .....	.80
Traveler runners .....	.60
Mill-derrick runners .....	.60
Mill-derrick helpers .....	.50
Head sawyers .....	.60
Sawyers .....	.50
Circle, rip, and joint sawyers .....	.57
Head blacksmith or toolsmith .....	.75
First tool grinder .....	.64
Blacksmith or grinder helper .....	.48
Head hooker .....	.55
Second hooker .....	.50
Mill laborers .....	.35
Head car blocker .....	.57
Car blockers .....	.50
Special labor .....	.45
Air drill runners .....	.50

## Quarry employees

Steam-wardwell runners .....	\$0.55
All other channeler runners .....	.60
All channeler helpers .....	.45
All channeler firemen .....	.46
Laborers .....	.40
Quarry-drill runners .....	.51
Quarry-drill helpers .....	.45
Breakers .....	.53
Power men .....	.50
Power men, self-cutting derrick .....	.52
Quarry-derrick runner .....	.60
Derrick helpers .....	.51
Hand scabblers .....	.50
Machine-planer scabblers .....	.61
Wire sawyers .....	.50
Head mechanic .....	.75
Head blacksmith .....	.75
Blacksmith .....	.60
Blacksmith helper .....	.48
Nozzle men .....	.61
Nozzle-men helpers .....	.50
Water and signal boys .....	.21

Out of this \$21,000,000 Indiana received \$2,500,000 for stone; the State of Michigan received \$1,100,000; the State of New York received \$1,250,000; the State of Pennsylvania received \$2,500,000; Virginia received \$1,000,000. Transportation received \$2,000,000, and the District of Columbia received \$3,000,000, which went principally to skilled labor drawn from many States. The \$21,000,000 went to many widely scattered industries in 27 States of the Union and benefited these localities in 27 States and did not benefit just one State, or even a few adjoining States. The limestone in those buildings stands out magnificently, any impartial observer will agree.

Now, I want to tell you who was consulted about these buildings before they were constructed. Some outstanding firms of architects were selected and sent out over the United States to survey buildings throughout the country. The original board consisted of Mr. Arthur L. Brown, of San Francisco; Mr. Bennett, of Chicago; Mr. Medarg, of Philadelphia; Mr. Ayres and Mr. Delano, of New York; and Mr. Louis Simon, of the Treasury Department architectural staff. To that list later was added the name of John Russell Pope, of New York, who is considered an outstanding architect in the United States, as well as in England, France, and Italy. He has been decorated for works that he has done in those nations. Those men went out and surveyed buildings in the United States. They ordered sur-

veys made of 50 or more outstanding buildings in the United States which had been constructed for 50 or more years, to determine what material was worthy for use for our department buildings in Washington. Those men decided on a program which was laid out in its entirety, but that program was made to conform in design and general character to the Treasury Building, which was built in 1840 by "Old Hickory" Jackson. Other buildings down in this triangle group were made to compare and stand up alongside of a building like that. This group today stands out in the front rank of Government buildings to be found anywhere.

I say to you that I point to them with pride. The Archives, designed by John Russell Pope, made of select buff Indiana limestone, is a masterpiece. The entire triangle group are buildings which would be a welcome adjunct to any government any place in the world and will stand throughout the ages and be useful as well as ornamental.

The question of labor has been raised. I submit for the RECORD a scale of wages that is paid in our district today to all kinds of labor, which includes common labor. In a district that is as hard hit as that district is now, people would have worked for almost any price. They would have begged for a job at 10 cents an hour, but the lowest the industry has paid at any time, even to common labor when it could be had for 10 cents an hour, was 35 cents an hour. The wages range upward from that to \$1.12½ an hour for carvers and \$1 an hour for stonecutters. It now varies from 38 cents for common labor up to \$1.12½ an hour. The men who are employed are the best paid of any men in any comparable city in the country today. To say that that industry uses scab labor is to make a statement that is absolutely and positively a misstatement of fact, if it was meant to be applied to the Indiana limestone district. I say that without fear of contradiction. The men in that district belong to unions—not unions of the company. They belong to and are associated with the American Federation of Labor. For the most part, they belong to that great national organization. I have been with the men. I have helped them contact the Labor Department here in Washington and also the national labor associations in Washington. The Central Labor Unions of Lawrence and Monroe Counties have enrolled thousands of men who are and who have been employed when the quarries and mills were all running.

The statement was made yesterday that the Indiana Limestone Co. had contributed \$100,000 to the Republican campaign fund. This is an erroneous statement, it is not a true statement of fact, and I am not afraid to contradict it. As might happen in any endeavor of life, some individual company may have contributed a small sum, a nominal sum. I do not know that; I could not say that anybody contributed; but if they did it may have been some one company contributing a nominal sum. I call attention to the fact that the Indiana Limestone Co., which is accused of contributing this large sum of money, was in the hands of its bondholders' reorganization committee and in the hands of its bankers and did not have a sum of money like that to be handed out to anyone or to any organization. So I repeat, I contradict that statement.

But if some one company did contribute something, or if some one company did slip on their labor and did not pay the scale, it would be analogous only to the situation that might be found in any city with a hundred stores; one of the stores might slip somewhat and not pay as high wages as the rest, but would you condemn the city because one of its hundred stores made a mistake? Neither can you condemn an industry composed of 31 large separately owned and separately managed organizations, the people making up the management of those organizations being equal to the best, the most honorable to be found anywhere in the Nation.

Permit me to say further that the statement made that Indiana limestone is not fit for Government building construction is on every point and is by every fact unwarranted. I do not think any man could honestly in his sane moments make such a statement. The Empire State Building,

in New York City, Radio City, the Waldorf-Astoria Hotel, the Cities Service Building, the Metropolitan Art Museum, the Irving Trust Co., the Life Insurance Building in New York City, as well as dozens and dozens of other fine buildings in New York City, are faced with Indiana limestone.

In Boston 39 large buildings built within the last 15 years are faced with Indiana limestone. The buildings, mind you, were built and paid for by people who were spending their own and not the Government's money. If Indiana limestone is satisfactory for use by private people, is it not good enough to be used in Government use? There is no other stone comparable for the purpose. Thus it is exclusively used by private enterprise as well as by the Government.

Indiana limestone is shipped to more than a thousand stoneyards in the United States and Canada, where the big blocks are cut up and fabricated in those cities by thousands of skilled workmen.

That Indiana limestone has enjoyed a reasonable share of the work created by Federal building construction where stone has been used is true, but this is not because any favoritism was shown or any preference paid, but simply because it affords more in the way of structural merit, durability, and a fine appearance than any other exterior building material of equal cost.

The fact that Indiana limestone has been used so extensively in the fields of commercial building where costs are always carefully considered is a sufficient argument on that point.

Approximately 90 percent of all the large buildings in the United States and Canada that are faced or trimmed with stone are faced with or trimmed with Indiana limestone. Why? Because it offers more in the way of value for every dollar expended than any other exterior material of equal or approaching merit.

It is my opinion that the Government recently has been pursuing the wrong course and has not been using the best materials. It is my conviction that the Government should specify the use of the best of stone in its Government buildings and always use materials which will endure and look good for many years to come. Let them use granite, marble, or limestone, or sandstone so long as in using those materials they build to obtain the best results—buildings which will stand for hundreds of years—yes; for thousands of years if need be. If they do that, then we of Indiana will take our chance on Indiana limestone getting its fair share; and that is all we want, all we ask for, and all we expect. We ask only that our limestone receive fair consideration and know it will then receive its fair share. Our stone is used not only in various parts of the United States, but also in Canada, Alaska, Mexico, as well as Central and South America. Eleven State capitol buildings, incidentally, have been built of Indiana limestone.

The great Indiana oolitic deposit of limestone is in reality a national asset. The investment there is not only spread through investors to every State in the Union, but there is no comparable deposit of stone to be found on the entire continent. The only other deposit of like character is the famous Portland limestone quarries in England, which has been used by that nation not only in their greatest public edifices, but in many of their greatest cathedrals over a period of 1,500 years.

The fact that Indiana limestone is used for a Boston project does not by any means mean that Indiana gets all the benefit. There are substantial limestone-fabricating plants located in and around Boston, who have imported millions of dollars' worth of Indiana limestone rough blocks over the past quarter of a century to be hewn and shaped for building construction. I wonder if my fellow colleague, Mr. O'CONNOR, from Brooklyn, realizes that there is over \$12,000,000 invested in greater New York in stone-working plants who fabricate Indiana limestone almost exclusively. Mr. O'CONNOR also makes reference to the great unemployment in the marble trades in New York totaling, as he says, some 2,500 members. Does he realize that there are over 5,000 limestone cutters on the New York union roster, the majority of whom are also

out of work? I wonder if he also realizes that whereas 98 percent of all the limestone used in New York is fabricated in the area, compared to a very small percentage of the granite—in fact, just a few percent being fabricated there. If Mr. O'CONNOR should elect to visit almost any reasonable city in our entire 48 States and inspect one of the local cut-stone industries he would find their stock of raw material 90 percent-plus composed of Indiana limestone.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CROWE. I yield.

Mrs. ROGERS of Massachusetts. Lately a committee was appointed to ascertain facts about the use of stone in our public buildings. Senator BAILEY was chairman of this committee. Does the gentleman know what the committee has ascertained so far as the use of stone building material, such as Indiana limestone and the granite of New England? We have all been very much concerned about it.

Mr. CROWE. I am sorry I was not called into that conference. That conference, I think, had to do mainly with granite and marble.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 1 additional minute to the gentleman from Indiana.

Mrs. ROGERS of Massachusetts. Mr. Chairman, if the gentleman will yield, I think limestone was included also.

Mr. CROWE. I was not called to the conference and did not know about it. All I can say is that I would like to join any group which has for its purpose a study of the use of the most worthy and more permanent building materials in our Government buildings.

Mrs. ROGERS of Massachusetts. I am delighted to hear the gentleman say that.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to myself.

Mr. Chairman, yesterday we listened to a good deal of what I am compelled to call fol-de-rol in regard to alleged favoritism extended to Indiana limestone by Government officials in carrying out the Government's construction program, and I am glad that the able Congressman who represents the heart of the Indiana limestone district, EUGENE B. CROWE, has taken the floor to refute some of the statements that were placed in the RECORD yesterday. Bedford, the town where Mr. CROWE lives, is the limestone capital of America. He lives with the industry, is incessant in his efforts to promote it in every legitimate way, and he is in a position to throw light through the fog of errors that enveloped the discussion of yesterday.

The Lord Almighty made two great building materials—granite and limestone. One of these is costly and the other is relatively inexpensive. From the standpoint of utility in the construction of buildings to be used as Government workshops to house Federal activities they are on a parity, one material being as good as the other. Most of the limestone deposits of standard quality are located in the State of Indiana. The ways of Providence are inscrutable and we do not know why that is so, but it is so.

I have heard for years the same old cry that Government officials are guilty of favoring Indiana limestone at the expense of granite. There is nothing to it. If Indiana limestone has a monopoly of utilitarian Government construction it is a monopoly that is not given by any Government officials but it is a monopoly that was given by God when He placed these valuable limestone deposits in that part of the earth that is now embraced in the State of Indiana. It is a monopoly due to the fact that Indiana furnishes a building material, eminently satisfactory and suitable to all governmental needs, at a cost much below the cost of granite.

I wonder whether the gentleman from Massachusetts [Mr. WIGGLESWORTH] and the gentleman from New York [Mr. O'CONNOR] have taken the trouble to investigate the difference in the cost of constructing public buildings by use of granite and the cost of the same buildings by use of Indiana limestone. The difference is about 15 to 20 percent. On a Government building program of \$100,000,000 the difference would be between \$15,000,000 and \$20,000,000.



Do the gentleman from Massachusetts and the gentleman from New York think that it would be in the public interest to saddle on the people of this country, who are already groaning under the crushing burdens of Government, the additional burden of this enormous differential when there is no reason on earth for doing so except to gratify the whims or the desires of those who, for one reason or another, feel themselves more closely attached to granite than to Indiana limestone?

There is no man in this House for whose powers of mind I have more respect than the gentleman from New York. Usually his discussions are logical, forceful, admirable, but I think I never knew him to indulge in more specious argument than he did yesterday on this question. He said in effect that because there are 2,500 marble cutters out of work in New York the Treasury Department has done a very wrongful thing in constructing public buildings out of Indiana limestone, as if that were a sufficient reason why the Government should turn its back on this suitable Indiana material which is available at a much less cost than either marble or granite. The answer to that, of course, is apparent. The general cessation of private construction has almost paralyzed the Indiana limestone industry and thousands on thousands of its workers are out of employment and on relief. From the standpoint of humaneness and from the standpoint of solving the relief problem it is just as important that our Indiana workmen shall have employment to support themselves and their families as it is that the workmen in the gentleman's district shall have employment, and I wish from the bottom of my heart that every workman in his district could get a permanent job tomorrow.

The gentleman from Massachusetts placed in the RECORD a list of 216 building projects which he said apparently are to be built without the use of any granite whatsoever. I wish you would look at that list. It includes such great cities and centers of population as Bowie, Tex., which I assume was named after the famous author of one of our leading and most efficient implements of destruction, the Bowie knife. I do not know whether or not Bowie is located in the district of our delightful friend, Mr. BLANTON, but I am sure he can tell us all about it—in his own time. According to the census reports, Bowie has a population of 3,131. Surely the able gentleman from Massachusetts does not seriously contend that the Government should erect a granite palace down at Bowie. Then the gentleman's list includes the overpowering metropolis of Galax, Va., which has a population of 2,544. Galax may be a gay place, but it will be lax in its duty to the public interest if it demands its granite palace. The Galax section of America is ably represented in this body by Congressman THOMAS G. BURCH, and he has not yet arisen to exclaim, in the language of another distinguished Virginian, "Give me granite, or give me death."

The list of towns presented by the distinguished Massachusetts Congressman [Mr. WIGGLESWORTH] as being without granite, both in esse and in posse, includes many centers of population like Bowie and Galax—such, for instance, as Lyons, Kans., with 2,939 inhabitants; Baxter Springs, Kans., with 4,541 inhabitants; Thief River Falls, Minn., with 4,268 inhabitants; and Raton, N. Mex., with 6,090 inhabitants. The good people of many of these places, in fact, of most of the places on my friend's list of 216 graniteless towns, are not used to stately granite edifices, and if they should have one thrust upon them, I fear the shock to the community would be great. My own thought is that in the case of most of the towns cited by the gentleman from Massachusetts even Indiana limestone is too expensive a material to be used, and that the buildings in those smaller towns should be constructed of brick.

All of this shows how far afield we are likely to go when we tinker with the orderly processes of government that are constituted to settle and determine these questions. Mr. WIGGLESWORTH and Mr. O'CONNOR are both good fellows, able Representatives, and ornaments to this lawmaking body. I adjure and implore them to banish the terrible Indiana limestone bogey from their troubled dreams. Let the Govern-

ment officials who usually handle such matters continue to handle them and they will be handled right. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, every thoughtful Member of this House must realize that in the very near future the revenue system of this Government must be materially changed. Repeatedly have I said since I have had the honor of representing the Second District of Oregon on this floor that I was ready to forget party lines and join any group willing to present a revenue bill providing for a balanced Budget. The present system, I fear, actually creates and sustains unemployment.

As I view the situation, I can see nothing more pernicious and detrimental to stability than the prevailing notion that we are in a depression and that the clouds will soon roll by and the sun of prosperity will shine on our land as it did in the happy days following the World War. It does not appear to me, however, that we are due to have a return of that era. It seems to me that we are in a new era, a new world, and that we are drifting we know not where, because we refuse to chart a new course. There are several causes which have brought about this condition. First and foremost is the machinery that has come in every shape, manner, and form, until today it is part of our very existence. Nobody, so far as I know, has ever carefully analyzed the effect of the internal-combustion engine on humankind.

A few days ago I stood on Pennsylvania Avenue and I watched the swiftly moving motor traffic. My mind went back through the very brief years since the horse-drawn vehicles were in evidence on that famous Avenue, and as I looked I thought that perhaps the future historian will say that the greatest single factor creating our economic chaos has been the internal-combustion engine—the tractor, the truck, and the motor car.

No one can fail to realize that the Government cannot continue to spend more money than it takes in. That some persons and corporations and combinations are making money in these hours of distress for millions there can be no doubt. Money is piling up for a privileged few, even at a time when one-sixth of our entire population is eating out of the hand of charity and perhaps another sixth near to the bread line. It has been said that before the snow flies next winter one out of every six of the population of the United States will be drawing some kind of a check from the Government. It is true that at the end of this fiscal year, when the Government books are balanced, that balance will show several thousand millions of deficit.

In 1935 the expenses of Federal, State, and local governments, not including emergency outlays, will amount to above thirteen billions, or fully one-fourth of the national income. The only effective method for redistributing the national income equitably so as to permit maximum consumption and hence maximum employment of the employable is through taxation. Much has been said the last few months in this House about the processing tax. I am free to admit that this is in effect a sales tax, to which I have always been opposed. At the very earliest date the processing taxes upon necessities should be shifted from the backs of those least able to pay to those more able to pay. An additional revenue of \$4,000,000,000 could be and should be collected this year by taxing personal incomes, corporation incomes, and liquid surpluses, corporation profits, estates, and gifts. Most of the consumption taxes are paid by people with incomes under \$1,200. Total tobacco taxes for 1935 will probably be \$466,000,000; liquor taxes, \$430,000,000; gasoline, \$170,000,000; and minor nuisance taxes, \$250,000,000. I would clearly draw a distinction between sales taxes on luxuries and sales taxes on necessities, and would continue luxury taxes. Necessities should never be subject to the sales tax.

From the internal-revenue reports we find that 320,503 persons reported net incomes of over \$5,000 in 1933. They had a total income of \$4,992,545,000, of which \$1,789,828,000 was from wages and salaries and \$3,202,725,000 from ownership or control of property. There is no record of their addi-



tional income received from wholly tax-exempt Government bonds. One percent of the families in America received about one-tenth of the national income and one-fifth of the total property income, but they paid in Federal income and surtaxes only \$333,276,761.

After paying all direct taxes in 1933, 46 persons in the United States with incomes of over \$1,000,000 each had left an average of \$1,211,000. Eighty-four persons with incomes of a half million to a million had left, after they paid all taxes, an average of \$442,151. The internal-revenue records show that 139 persons with incomes of \$300,000 to \$500,000 had left an average of \$260,487.

In Great Britain a married man with three dependent children having a salary of \$5,000 pays an income tax of \$560. In the United States that man would pay \$52, or less than one-tenth of what the British taxpayer pays. The British budget is balanced.

There is no accurate record of the full amount of tax-exempt bonds. I heard one of our colleagues state in the Well that it was probably fifty billions. Perhaps forty-two billions is a safer estimate. Part of these Government bonds are partially taxed, but it is estimated that the tax-exempt income from those holding Government bonds is somewhere between \$650,000,000 and \$700,000,000 annually. Much of this tax-exempt income is received by people who pay taxes in the higher income brackets. Just remember there are no tax-exempt bonds in England. Neither should there be in the United States.

The New York Journal of Commerce reports:

First. Dividend and interest payment to investors in 1932, the worst year of the depression for the common man, were almost \$2,500,000 more than in 1929. In 1929 the investor received \$6,887,650,000. In 1932 he received \$6,900,000,000. Was it a depression for the investor?

Second. Total dividend and interest payments for the 5 years of the depression were \$10,000,000,000 greater than for the 5 years before the depression. From 1930 through 1934 the investor received thirty-six billions in dividends and interest. From 1925 through 1929 he received only twenty-six billions. This compares with seventeen billions for the 5-year period from 1920 to 1924, inclusive, and with thirteen billions from 1915 to 1919, inclusive. Whose depression was it?

Third. In the investor's worst depression year, 1933, his receipts were \$6,500,000,000. This was more than a half billion dollars above 1928 and more than twice his share of the war profits of 1919. Is it not clear from what sources taxes should come?

It is indisputable that while the national income has been declining the investor's share has been increasing both relatively and absolutely.

In his report on the operation of the National Industrial Recovery Act, Mr. Leon Henderson, Director of Research and Planning Division of the N. R. A., states:

Although pay rolls in December 1934 were only about 60 percent of the total in 1926, dividends and interest were 150 percent of their total in 1926.

The Federal Reserve Bank of New York reported the total net profits of 290 industrial and mercantile concerns were \$430,500,000 in the first 9 months of 1934, compared with \$202,800,000 in the same period in 1933, an increase of 137 percent.

The Treasury Department reports that in 1933 the net income of corporations reporting net incomes was \$2,506,078,279, compared with \$1,851,575,582 in 1932, an increase of 35.3 percent.

The net income of corporations in 1934 was probably at least \$3,400,000,000, and possibly \$3,600,000,000. The 392,021 corporations which submitted balance sheets for 1932 to the Federal Treasury paid out in interest and dividends \$7,902,644,000, but paid in Federal income taxes only \$282,059,000.

At the close of 1932 the liquid assets of these corporations' cash and tax-exempt bonds amounted to \$27,834,066,000, or some billions more than the national debt before the "depression." Of this the 618 largest corporations held over half.

Great Britain, with about half our wealth and half our income, collects nearly twice as much from personal and corporation income taxes as we do. The indications are that we could get at least three billions a year more from these taxes than at present. Can we balance our Budget if we try?

On December 31, 1932, 618 corporations, each having total assets of \$50,000,000, reported to the Commissioner of Internal Revenue:

Cash on hand.....	\$8,447,610,000
Tax-exempt investments.....	6,328,996,000
Surplus and undivided profits, less deficit.....	22,616,039,000
Total.....	37,392,645,000

They paid out in cash dividends that year \$2,269,998,000.

While no figures for this group of large corporations are available for 1933, the fact that for all corporations the 0.9-percent deficit in 1932 on book value of capital was turned into a 0.4-percent profit in 1933, and many of the large corporations made big profits in 1934, would indicate much larger liquid surpluses at the end of 1934 than at the end of 1932.

The total net value of the 8,727 estates for which returns were filed in 1933 was \$712,588,000, upon which the total tax liability was only \$59,429,000, or 8.3 percent, while in Great Britain the annual yield of the estate tax is about \$375,000,000. On the basis of our wealth the estate tax here should yield at least \$700,000,000. This means amendment of our inheritance-tax laws and rigid enforcement.

In 1933 the total revenue of the Government of Great Britain at the computed conversion value of the pound was \$3,506,611,000, the expenditure \$3,643,474,000, while our revenue was \$2,238,356,000 and our expenditure \$4,845,018,000. In 1934 the figures for Great Britain were: Revenue \$4,079,270,000 and expenditures \$3,905,632,000; and ours, revenue \$3,277,734,000 and expenditures \$6,883,862,000.

I want to give credit to the People's Lobby, which assisted me by assembling these figures. Except where otherwise indicated nearly all the figures are derived from official reports of United States Government.

I regret that no general revenue revision repealing taxes on consumption and providing taxes according to ability to pay and service rendered has been undertaken by this administration.

As a friend and supporter of the administration, I appeal to those who control and manage the affairs of this House to have prepared during the recess this summer a revenue bill that will honestly balance the Budget, so that when the Seventy-fourth Congress reassembles the 3d of next January one of the first bills for consideration will be the revenue bill that will really balance the Budget. No greater disaster could happen to this Nation than to have our bonds fall, say, 10 points in the markets of the world.

Every business man on this floor will recall happy days gone when he casually endorsed a note for a friend. Finally, the banks from which he borrowed insisted that he should list among his liabilities the notes he guaranteed. The experience of those days will recall the fact that the Government was right in requiring us to list guaranteed notes, for in almost all cases the guarantor had the note to pay. Sol Smith Russell, in the days gone on the American stage, often said: "When I was young I had money, I had friends; I loaned my money to my friends; I lost my money and my friends." I very much fear that many thousands of millions of the bonds that the Government has guaranteed and millions of loans will be lost and the Government will be called upon to make good the deficit.

In estimating the debt of this Government, if we use the rules of the Treasury Department and count all guaranteed bonds as debts, we will find that on July 1, 1936, the total obligations of this Government will approach thirty-nine billions, and the annual interest charge will exceed one thousand millions. We are today borrowing from the investing classes, and many of those with small incomes are called upon to pay the major share of the cost of maintaining the unemployed. The war against this so-called "depression"



cannot be won by borrowing from the wealthy and taxing poverty.

I admire the almost superhuman effort of the man in the White House in attempting to give work to the unemployed, but it is safe to say that despite his most herculean efforts there are probably several million that cannot be employed, even under the tremendous work program now being promulgated. In the future it will take from \$5,500,000,000 to \$6,000,000,000 a year to meet the current expenses of this Government. The Government must meet its responsibility for the care of the aged, the child and the mother, for health and education. This can be done, justly, only by drastic changes in our fiscal system. I have given figures to show why I believe these changes should be made.

Again I wish to warn my friends on the Democratic side of this House that the responsibility is ours. We must not neglect our duty. Whether we remain in power after 1936 is a minor matter compared to the saving of this form of government, unquestionably the best form of government that has ever been developed. We who know a little of its inside workings must admit to each other, at least, that it is still far from perfect. It is the greatest experiment in government for the masses that time has ever known. We must not allow it to be wrecked on the rock of insolvency. We have the money, we have the income, we have everything that our people need for clothing, food, necessities, and luxuries. We must devote our time and energy to an equitable division of the rewards of labor and genius. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 12 minutes to the gentleman from Indiana [Mr. SCHULTE].

Mr. SCHULTE. Mr. Chairman, in a very short time we will be called upon to vote for either an extension or the abolition of the N. R. A. The N. R. A. has been a godsend to my district and to my people.

Let us go back to 1933, before the N. R. A. was brought into being. The girls working in the textile mills and the sewing factories were compelled to work 10 hours a day, and 6 days, for which they were paid from \$2.50 to \$3.75 per week.

Under the N. R. A. today, the same girls receive a minimum of \$13 and work but 40 hours per week.

Practically the same situation exists in the oil industries, where the hours of labor have been reduced and more men employed. Should the Clark amendment be accepted in the House of Congress, it will mean that these men will have to go back to the long hours of work, with no increase in wages, and the extra men who were taken on, be out of work and forced to seek relief on the relief rolls in my district.

It means that the girls in the sewing factories would have to go back to the 60 hours and receive but \$2.50 to \$3.75 for their work.

That is the reason, my friends, I am making this plea here this afternoon for the Members of the House to vote to continue the N. R. A. under the present set-up for a period of 2 years.

There is nothing in the present situation which indicates to me that industry and business are in any way better qualified today to manage the industrial life of our Nation, unaided by the cooperation of labor and the supervision of Government, than they were 2 years ago. I see nothing in the present situation which leads me to believe that industry alone will find a way out of the depression from which we are still suffering. Two years ago, our business and industrial leaders were willing and eager to accept the leadership and the cooperation of Government and of labor. Today, due almost entirely to that leadership, they are in a more favorable position and feel strong enough to go ahead without any further cooperation with Government. Their present determination to free themselves of all restraint and regulation and return to the old chaotic order of cutthroat competition, merciless wage cutting, long hours of work, and every sort of unfair trade and labor practice is in effect a recognition that they have benefited very greatly from the program of the past 2 years, and now feel sufficiently recovered to engage in the old struggle. If we now discontinue the N. R. A., or if we consent to its continuation for a very

limited period of time, we are in effect saying to business and to industry, "Go back to the old order, to the old destructive practices which led this country into the depression. Treat your employees as you will; establish any kind of competition you will. With such things the Government has no interest."

We might as well face the fact that continuation of the N. R. A. for the short space of 10 months is in fact an abandonment of the N. R. A. Even worse, it is a qualified abandonment, a cowardly gesture of buck passing, which will cost the administration not only a great sum of money but which will have a most unfavorable reaction upon business and upon the administration itself. It would be far wiser and far braver to end the N. R. A. now than to continue it for a time so short and in such a modified and curtailed form as to make its failure inevitable. This is what the Clark resolution will do, and this is what we must prevent at all costs. Enlightened business leadership stands back of the 2-year continuation; enlightened labor leadership stands back of it. Such a continuation is an essential part of the administration program of recovery and of reform.

We must not be misled by the opposition to the N. R. A. which has developed. There will always be opposition to any regulation by certain groups. There are many lawless, ruthless people who are interested only in profits and who are willing to secure those profits at the cost of human misery, suffering, and even death. Those people have, of course, been restrained by the N. R. A.; they have been forced to do many things they did not want to do. They have, for example, been forced, in many cases, to give up hiring children; they have been forced to pay better wages and hire more employees because hours of work were reduced. They have had to refrain from some of their most merciless competitive practices. Of course, they oppose the N. R. A., as they would oppose any restriction.

Two of the greatest evils of our industrial life have been partially, if not wholly, corrected under the N. R. A., and we might in time succeed in the complete elimination of those evils if we continue the N. R. A. I refer to sweatshop labor conditions and child labor. What assurance have we if we refuse to continue this law, that we shall not again in the very near future see our mills and factories filled with children of 12, 13, 14, and 15 years of age, while their fathers and older brothers walk the streets looking for work they cannot find? What assurance have we that we shall not again see the country filled with sweatshops in which women and girls work night and day for wages as low as \$2 or \$2.50 per week? I know that child labor still exists; I know that sweatshops and home work still exist. But now, under the N. R. A., increasing control is possible.

I make no claim that N. R. A. has done all we hoped it would. I know it has not reduced hours sufficiently, that it has not raised wages as it should, and that compliance with code provisions has not been well enforced. Those are weaknesses in administration of the law and not in the principle upon which the law is based. They are weaknesses which should be and can be corrected but they are certainly not weaknesses for which the entire attempt at regulation of industry should be abandoned without a fair trial. Were any of us so optimistic as to believe that industry could be entirely remade in the short space of 2 years? When we adopted the N. R. A. most of us looked upon it merely as the beginning of a long-time effort to bring some change in our economic order. I do not believe there is a thinking disinterested person in the country who is not today convinced that some change is necessary. Nor do I believe there is such a person who can deny that wages have been increased and unemployment decreased under the N. R. A. You have only to read some of the records of code hearings to find that 2 years ago entire industries admitted paying wages as low as 5 to 10 cents per hour for adult male labor. Those same industries under the N. R. A. are paying wages of 20, 25, or 30 cents per hour. We may believe those wages still too low, but we cannot fail to see what such increases must mean to the workers concerned, and what they must mean in increased buying power. But



we need not deceive ourselves that code wages would be maintained without compulsion. I am reliably informed that some lumber companies, when they were advised that the administration would make no efforts at compulsory enforcement of their code provisions, immediately notified their employees that hours of work would be increased to 60 or 65 and that wage rates would be cut to 15 cents per hour. What happened there will happen in many industries if there is no supervision of industry through a continuation of N. R. A.

Evils as great as those from which we suffered are not corrected in 2 years, nor in twice times 2 years, but we have started on the road to changes in our thinking and our practices. We must not forget that we still have eleven and one-half millions unemployed, and that that number will increase immediately the N. R. A. is discontinued, because hours of work will be increased and many men and women thrown out of work, while others work 60, 70, or 80 hours per week. The N. R. A. has returned a significant number of men and women to work. The principle of re-employment through reduction of hours of work is sound.

Chief among the claims of the opponents of the N. R. A. is that it oppresses the little fellow. Concern for the little fellow has, it would appear, been suddenly stirred into life. Opponents of the Recovery Act are now apparently convinced that he is the victim of monopolies established under the codes. When has not the little fellow been the victim of monopolistic practices? He has always been at the mercy of the big concerns. Actually, he has never been in as favorable a position as he is today, when he has an agency of the Government to protect his interests.

In many cases the little fellows who are making such an outcry against the N. R. A. want to go back to the pre-code conditions of sweatshop labor, of long hours, low wages, and intolerable working conditions. It was through the exploitation of labor that many of them managed to exist and to make profits. They would not deal with organized labor; they would not pay wages paid in the larger and more carefully managed plants; they depended upon their abilities to sweat labor, to employ women and children, to work their employees long hours, for profits which they cannot make under decent conditions. Such economic units are actually a burden upon our economic and social order which must be wiped out if we are to go ahead to any kind of an ordered, decent economic and social system. Before we talk too loudly and long of the oppression of the little fellow under the N. R. A. we should make a very careful investigation of just how much of the oppression consists in an effort to make that little fellow observe standards with regard to his wages and hours and labor and trade practices which are fair and just.

A few examples will show definitely what I mean. A study of bakeries shows that in small units (those with annual sales of \$10,000 or less) the percent which profits constituted of net sales was twice that of the larger units (those with annual sales over \$10,000 and up to and including \$100,000), while the percent which wages constituted of net sales was less than one-half of the figure constituted by wages in the larger units. Similarly, in the case of 5-and-10-cent stores, the percentage of profits for the smaller units was 60 percent above that for the larger units, while the percentage of costs represented by wages was only about one-third. (These figures are from the Dun & Bradstreet Retail Survey for 1933.)

Small enterprises very often show more favorable earnings than the larger units, and those favorable earnings are often based on lower wage costs. For the first time in his life, the little fellow who has a legitimate claim of oppression has an agency to which he can appeal. This is one reason we hear more about the small-business man than ever before. When there was no attempt made to supervise and control business practices, he could not make his voice heard. If he could not meet competition, he simply failed and went out of business. Nothing was done to help him.

A comparison of the number of commercial failures before and since the N. R. A. should convince any sincere advocate of the small-business man that the N. R. A. has been of tremendous value to small business. In 1932, the Survey of Current Business reported 2,652 commercial failures; in 1933, that number had been reduced to 1,692, and in 1934, still further reduced to 1,015. What but the N. R. A. was responsible for this striking decrease in such failures?

I do not talk of section 7 (a) in connection with a continuation of the N. R. A. The right of workers to organize and bargain collectively has not been adequately protected under the N. R. A. Like other portions of the act the collective bargaining section has not been properly enforced. Like the other sections of the act, it must be strengthened; it must be enforced; but it must not be discontinued. We have not yet given N. R. A. a fair trial. Its most bitter opponents have nothing to offer in its place. Their cry is not a cry to go forward, but rather one to go back to the old intolerable conditions which the people of this country simply will not support. The N. R. A. still represents the alternative to revolution. It still represents gradual and ordered change instead of violent, sudden change. And change of one kind or another we shall have. We can make our choice. [Applause.]

Mr. Chairman, the abolition of the N. R. A. in one industry that I know of in particular means the placing of 13,000 men on the streets of our Nation. That is just one industry alone. This is in the event the Clark amendment is adopted by the House. If this is true in the case of one industry, what does it mean to the workers as a whole? I dare say, Mr. Chairman, without fear of contradiction, that if Senator CLARK's amendment is adopted we will find over 1,500,000 more people on the streets of our Nation again. That is why every workingman and every workingwoman is pleading for the life of the N. R. A. Our great leader demands it. He insists that it be continued for a period of another 2 years.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. LEE].

Mr. LEE of Oklahoma. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein a statement made by the Oklahoma farmers who visited Washington in connection with the recent Farm Congress that has just closed, and also to include a resolution adopted by them.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. TABER. Mr. Chairman, I shall not object to the gentleman revising and extending his own remarks, but it was understood here this morning that we would not put in the CONGRESSIONAL RECORD anything except from officials of the Government. Therefore, Mr. Chairman, I must object to anything other than the gentleman's own remarks.

Mr. LEE of Oklahoma. Mr. Chairman, I made the request to insert in the RECORD the statement and resolutions of the farmers from my State who came to Washington to thank a generous Uncle Sam for saving them from bankruptcy, and I am sorry that the gentleman from New York objects to my request, because, as I understand it, this is the first time in the history of the Nation that a group of people ever came from all over the Nation and thanked the Congress for what they had done. The 73 farmers from Oklahoma invited the whole Oklahoma delegation to dinner and fed us. They did not ask for a thing. They only wanted the opportunity to thank us for what we had already done. I thought the uniqueness of the whole situation was worthy of recognition.

There is a bill now pending before the Committee on Agriculture known as the "Frazier-Lemke bill", H. R. 2066. The purpose of this bill is to refinance farm indebtedness at lower interest and longer terms. I arise to speak in behalf of this principle. The United States granted a moratorium to Germany extending their time and lowering the interest rate. I believe our Government should likewise grant a moratorium to the American farmer.



## FARM INDEBTEDNESS HINDERS RECOVERY

I shall therefore address myself to that principle, with the hope of stimulating interest in what I consider one of the most important phases of Federal aid to agriculture.

Uncle Sam has saved the farmers of the United States from absolute bankruptcy. Farm prices have been doubled and tripled since Mr. Roosevelt took office, so from the standpoint of farm prices the farmer has been greatly benefited; in fact, saved.

But the thing that is now making it difficult for the farmer to repair and improve his farm, to replace his worn-out machinery, to buy harness, equipment, paint, and clothes is the debt burden that, like a millstone about his neck, is still keeping his head under water.

## CHANGE IN VALUE OF DOLLAR WORKS HARDSHIP

Most of these debts were made when times were good and money was cheap. The farmer naturally figured in terms of his commodities. Wheat was \$1.50 a bushel. If he borrowed \$1,000, he figured it would take 666⅔ bushels of wheat to pay it back. Cotton was 20 cents a pound, so he figured it would take 10 bales of cotton. Pork was 15 cents per pound, therefore 30 fat hogs would pay off his \$1,000 note. Now, of course, it was not written in the mortgage that the farmer would have the right to pay off in terms of what he borrowed. Yet in all justice he should have the right to pay off that debt with dollars of the same value that he borrowed. Therefore, I believe that he should be refinanced on long terms and low interest rates in order that he might not lose his property until the dollar returns to its normal value.

Suppose one day you went over to your neighbor and borrowed a bushel of wheat. Then when you went to pay it back you took a bushel over to him, and he said, "No; you owe me 6 bushels." You would have thought he was crazy. Yet that is what happened. When many of these debts were made wheat was \$1.50 a bushel, but when the debt came due wheat was 25 cents a bushel.

I had this personal experience. I borrowed some money on my ranch when wheat was \$1.25 per bushel. I raise wheat and could have paid that debt off with less than 800 bushels of wheat, but when the note came due I was selling wheat at 25 cents per bushel. It took 4,000 bushels of wheat to pay that note, not counting the interest. It took five times as many bushels of wheat to pay the principal as it would have when I made the debt. That is a typical example of millions of cases of farmers.

Therefore the farmers should be granted a moratorium in order to give them a chance to pay back those debts with the same dollars they borrowed. By the terms of the Frazier-Lemke bill, the farmer is required to pay only 3 percent a year, 1½-percent interest and 1½ percent on the principal. This will pay the entire debt in 47 years.

## AN EVEN BREAK ON INTEREST RATES

But to merely extend the time is not enough. The farmer cannot pay the high rate of interest that he is being charged. Not long ago I talked to a banker in Omaha, Nebr., a very splendid man. I asked him, "What is the lowest interest rate that Swift Packing Co. can borrow from you for?"

He said, "One and a fourth percent."

I said, "What is the lowest rate a good-risk farmer can borrow for?"

"Six percent."

I said, "What is the difference?"

"Well," he replied, "the loan to the packing company is liquid. We can get the money on that any time we want it. But in the case of the farmer, we must wait until his crop is harvested; therefore we must charge him more interest."

The banks do not make loans on farm land anyway. Therefore such a law as this would not injure the country banks. I do not wish to destroy our banks. The farmer cannot get along without the country banker. What we need today is a lot more "chain harness banks."

Perhaps the private banks cannot lend to farmers for the same rates that they lend to big business because they must meet certain requirements as to liquid assets. But the Government can lend to the farmer at as low a rate as big business enjoys. The men who gamble on the stock market

can borrow "call money" at less than 1 percent, and big business can borrow for operating their business as low as 1¼ percent.

The farmer is trying to compete with big business and carry this tremendous handicap. If big business had to pay the same interest rate that the farmer does, it would not outstrip him as it does now. A farmer is lucky if he can get money at 6 percent simple interest. There are fees, commissions, and sometimes compound interest that runs his rate far above 6 percent.

We have in Oklahoma as good land as lies out of doors. Our soil is so rich that if some States had it they would sack it up and sell it for fertilizer, and yet I do not believe there is a farm in Oklahoma that on a strictly agricultural basis has paid 6-percent interest on the investment since the crash of '29. That is taking the best farm and the lowest interest rate. If that is true of the best farms and the lowest interest, then what of the other farms and the higher interest? The question answers itself.

## INTEREST KEEPS MARCHING ON

When the depression hit the farmer he could cut down on all of his expenses except the interest on his debt. It kept marching on. In Oklahoma we reduced our property tax assessment, but the interest on the farmer's debt kept marching on. The farmer raised his own food and feed and lived at home without cash. He patched his harness with baling wire and repaired his machinery with barbed wire. He stopped every possible expenditure, but the interest on his debt kept marching on. That interest required cash, in many cases more than his total cash income for the year.

He could not pay. Many farmers have already been foreclosed. The Government stepped in and offered him a helping hand through the farm land loans, but the interest rate on these is still too high. It is 5 percent plus certain fees and charges. This Frazier-Lemke bill would refinance the farmer at 1½-percent interest. Big business can borrow money for that. All I am asking for the farmer is the same as big business enjoys. I am not asking a special favor for him. I am merely asking that the advantage that big business has over the farmer be cut down and equalized.

## EQUALIZING THE CONTEST

At the University of Oklahoma we have a circular race track. This track is divided into lanes. Each racer must stay in the lane assigned to him. The fellow who has the outside track must run farther than the one on the inside; therefore, at the start of the race, the referee places the man in the outside track several paces down the track so that when they come out at the finish line both have run exactly the same distance. That is all I am asking for the farmer. He has had the outside track too long. All I am asking now is that you cut off enough of this interest to give him the same chance as big business.

A gang disk plow is a horse killer. It is too heavy for four horses, but if you put five on one must walk on the plowed ground. Unless you change him off he will give out. He cannot walk on the plowed ground all day and keep up with the other four that have firm footing.

Gentlemen, the farmer has walked on the plowed ground until he "is give out." Why not shift him over on a firm financial footing and give him a chance?

By the terms of the Frazier-Lemke bill he would be required to pay 3 percent a year, 1½-percent interest and 1½ percent to apply on the principal, until the debt is entirely liquidated.

## GILT-EDGED SECURITY

For these loans the Government would have gilt-edged security. What could be better security than a first-mortgage lien on the farms of America? The mortgage companies consider them the best security. The life-insurance companies consider them the best security. Adam Smith, the dean of economists, says that all wealth comes from the land. It represents the productive power of the Nation. The Government, therefore, would have the best security there is in the Nation back of these loans. Furthermore, the Government would have the name, reputation, and charac-

ter of the farmers on that paper. These loans would be secured both by character and collateral. Could anyone ask more?

#### NO COST TO THE TAXPAYER

The Government can perform this service for the farmers without a cost to the taxpayers, but at an actual profit to the Government. The Frazier-Lemke bill provides that the Government can borrow money at 1½ percent to lend to the farmers at 1½ percent, thus breaking even on those loans financed in this manner.

But if the Government does not find enough money that can be borrowed at 1½ percent, then it can issue new money and receive 1½ percent on that money, thus making a profit on the loans that are financed in that manner. The Government has allowed private banks to issue new money and lend it at 6 percent interest, and the banks receive all that profit, while the Government received nothing. The only change of policy involved here is that the farmer gets the money for 1½ percent instead of 6 percent, and the Government gets the profit instead of the banks.

This bill has a safety valve. If the financiers of the Nation do not want the Government to issue this new money, they can buy enough Government bonds at 1½ percent to refinance these farm debts. This will have the wholesome effect of forcing money into circulation.

#### GREATER ECONOMIC SECURITY

Such a policy of refinancing the farm indebtedness would result in greater economic security for the Nation. I favor granting pensions to old people who are unable to support themselves. But in my opinion that is not getting at the source of the trouble. If we will lower interest on farm mortgages, we will not need so many old-age pensions. High interest is what has bled our farmers white. It has drained them dry. It has eaten out their substance, and consumed their savings. Through good years and bad, it has marched steadily on. It is a certainty against an uncertainty. It never fails. Droughts and floods, pests and depressions, come and go, but interest goes marching on.

The result is that the farmers have lost their homes. Many old graybeards who pioneered in Oklahoma are today trying to get on the relief rolls. Many silver-crowned old mothers who were among the "first settlers" are today asking for old-age pensions. Many pioneers who made the run in Oklahoma in 1889 are today on relief. Forty-six years ago last month they staked a claim in the new State. They were young then. Their blood was red; their hopes were high. They lived on gyp water and white gravy. They weathered the droughts of pioneer years that they might have a home to shelter them in their old days. But the interest on the mortgage overtook them. Today they are farmers without a farm, homesteaders without a home.

I favor an old-age pension all right, but that only takes care of the victims of high interest. It does not remedy the evil that causes poverty in old age. If you cut those interest rates down, there will not be so many of our old people who need pensions.

Let our people own their homes. Let our farmers own their farms. Then you will have national security.

When a farmer owns the farm he is farming he will take better care of it. He will farm it better. He will keep the improvements repaired. He will protect the soil against erosion. The value of the farm thus increases. But the tenant has little incentive to keep up a place. Therefore the value of the farm property decreases when loan companies and insurance companies own the farms and rent them out to tenants.

Home owners make the best citizens in times of peace and the best soldiers in times of war. The farm-owning farmer is the bone and sinew of the Nation. But the tenant becomes discouraged. Even the peasants of Europe have their huts, but the tenants of America have not where to lay their heads. If you want patriotic citizens in peace or war, help them to own a home. Then they have something to live for and, if need be, die for. You cannot expect the gypsy to feel much loyalty to the place where he camps tonight, for tomorrow he moves on. But if you want

our people to say, "This is my own, my native land", let them own some of it. If you want them to sing, "My country, 'tis of thee", "I love thy rocks and rills", let them own some of those rocks and rills.

Therefore I should like to see this Congress pass legislation that will grant a moratorium to the debt-burdened farmer of America. The high morale of the American farmer is worth preserving. But once he loses hope entirely, there is darkness ahead for our Nation, because there is no fall so dangerous as the fall of those invisible towers of faith.

But let the farmer own a few fertile acres of land, and the agitator's words will fall on dull ears.

When a man works his own plot of ground he is twice fed by it. There is a wholesomeness that permeates his being and purges his mind of evil thought. A man cannot lean up against the forks of his own apple tree and plan the destruction of his own country. [Applause.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, ladies and gentlemen of the Committee, yesterday it was announced through the press that there had been allocated for the construction of a tidal power project at Passamaquoddy Bay the sum of \$10,000,000 out of the work-relief fund.

The project is sufficiently novel, and the interest so widespread, that it seemed to me quite appropriate that as a Representative of the congressional district in which the project is located I should explain briefly to this assembly, and to the very much wider audience, the location and character of this project, incident to what I trust may be a visit to the project during its construction and after its completion by very many here, who may join with the million people who each year spend their vacation in the State of Maine. [Applause.]

The Passamaquoddy project is located on the extreme northeastern part of the United States where the tides reach between 30 and 40 feet. At the point where this is located the tides run as high as 30 feet and have an average height of 18 feet.

The project was originally conceived by Dexter P. Cooper, brother of Hugh Cooper, the distinguished engineer who has constructed many power projects not only in this country but throughout the world.

Dexter P. Cooper has devoted most of his mature life to the formation of the project and carrying out surveys which have finally made it feasible.

While I was Governor of Maine 7 years ago, a charter was passed by the Maine Legislature and signed by me, authorizing the construction of this project as a private enterprise, but owing to the depression it was never feasible to carry it out as a private project.

It was later taken up as a public or Federal project, and as a result of the studies made by those in authority, it culminated in the Work Relief Board recommending it to the President of the United States. The initial allocation is \$10,000,000, with an ultimate expected cost of \$30,000,000, to be carried out as a great tidal power development, perhaps the greatest throughout the world.

Tidal power has been the dream of engineers for centuries without end. It is not as novel or fantastic as might at first seem, since the English economic council on the estuary of the River Severn has been for some years studying such a project and preliminary works looking toward the carrying out of such a project have been authorized.

There is before you a blueprint showing how the tides have been harnessed. As a result of the configuration of the earth up there an island at the mouth of the bay makes it possible to hold the water in an upper pool, letting it then run through down into a lower pool, which is held at the level of low tide, getting a constant head of approximately 16 feet, which, with the weight of the sea water, will generate in its inception 166,000 kilovolt amperes, looking to an ultimate development of 366,000 kilovolt amperes, which is a tremendous power project. It will take 30 months to construct, and it will require the expenditure for direct labor of 52 percent of the allocation of \$30,000,000. It will involve the removal of



2,500,000 cubic yards of rock, 9,000,000 cubic yards of earth; 700,000 cubic yards of cement will be placed, and we have the cement plant now located in the Second Congressional District of my colleague [Mr. MORAN], which will be readily accessible to furnish the cement. It will require 13,000,000 pounds of metal, which will be used in the construction of the dams and generating units in various phases of the project.

Mr. CROWE. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. Yes.

Mr. CROWE. That works project brings relief. Does the gentleman approve of it?

Mr. BREWSTER. I am thoroughly in accord with the proposition that the \$4,880,000,000 work-relief fund must be used for the relief of those in distress throughout the United States, and we have over 40,000 upon the relief rolls now. I subscribe entirely to the proposition that any feasible project that will put these men to work is fully warranted and wise, and it has been determined as a result of careful studies and surveys that this will take some 7,000 men off the relief rolls and give them employment throughout, we trust, the greater portion of the next 2 years.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. Yes.

Mr. McFARLANE. I think it is a splendid project, and this question arises: I am wondering if the gentleman can tell us about it. Have there been any safeguards or provisions written into the project guaranteeing to the consumers of power up there low rates for that power, or will there be proper safeguards placed in the grant limiting the rates that may be charged the consumer?

Mr. BREWSTER. This is being constructed purely as a Federal project, and there is at this time no provision as to how that power will be distributed. There is nothing, however, to indicate that conflict is proposed with existing investments, as the power developments in Maine at the present time are in the central part of the State on the rivers, and there is only one power line running down along the border of the State, while a municipal power plant furnishes power in Eastport, Maine, where this project is located.

Mr. McFARLANE. Does not the gentleman believe that, in fairness to all of the people in that area who will consume the power from that project, the Government ought to safeguard maximum prices that might be charged before any State charter or private power contracts are granted for distribution of power to the consumer? In the T. V. A. they sell power to private companies at two-tenths of 1 cent, and proper safeguards as to the maximum charge per kilowatt-hour are made to the public. Do not you think we ought to properly safeguard the rates to be charged the public?

Mr. BREWSTER. I have felt that we could safely trust this administration not to permit extortion from the power consumers.

Mr. McFARLANE. I agree with the gentleman that we can trust the administration, but sometimes we do not know who is going to administer the affairs up there or what influence private power companies might have in securing power contracts and how they may inveigle those in charge to permit high rates, and so forth.

Mr. BREWSTER. It has been considered that a State authority might be created for the purchase of this power and its distribution. If such an instrumentality were used as has been proposed, it would certainly provide ample safeguard of the nature you suggest.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. Yes.

Mr. BOLTON. Aside from the relief side of the question, does the gentleman know whether there is a demand for this additional power to be developed, or is it to replace existing power supplied by private plants?

Mr. BREWSTER. There is no existing market for this power other than the normal expansion of power demand, but it is expected that industries will gather to use this power attracted by the cheap power and water transporta-

tion. There is at the present time no contemplation, so far as my knowledge goes, that they will enter into competition with private enterprise.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. Yes.

Mr. ROBSION of Kentucky. Is this to be a self-liquidating project?

Mr. BREWSTER. It does not enter within that field, as it is being constructed entirely as a Federal project by the Engineering Corps of the War Department. Some of the cost is being reckoned as part of our national defense as a potential source of needed electrical energy for producing nitrates, as is T. V. A., and part of it is being charged to the expense of relief, which the Government is now being required to supply.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. ROBSION of Kentucky. The gentleman has suggested there would be a plan on foot whereby some State authority would take it over and distribute the power?

Mr. BREWSTER. In the charter that was drafted it was contemplated that it should then be self-supporting for the part which the State authority assumed, and that the State authority should assume all expenses of distribution, although securing funds for development from the Federal Treasury.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. SCHNEIDER. Does the State of Maine still restrict the exportation of power from the State?

Mr. BREWSTER. It does.

Mr. SCHNEIDER. How would that law affect the regulation and sale of this power?

Mr. BREWSTER. In the charter, which was granted while I was Governor of the State, specific exemption was made of this project allowing power to be exported from this site.

I speak of this because it has been easy to be facetious regarding the development of tidal power. As far as my knowledge goes, there has never been a question raised as to the engineering feasibility of this project or as to the vast amount of power that would result from the development of the tide.

I trust that many Members of this Congress may join that army of a million of which I spoke that each year vote in favor of coming up to Maine. Bar Harbor and Acadia National Park, where much of our activity centers, is nearby along the coast. The President's summer home at Campobello is just across the bay. The attractions of the coast of Maine have been long and widely known, and it is a matter of great gratification to us that now a great engineering enterprise of this character is to be carried out up there in that corner of the United States, where we trust we may welcome increasing numbers of you as the months and years go by. Come up and see Maine sometime. [Applause.]

Mr. BOLTON. Will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. BOLTON. Can the gentleman tell whether this proposal will interfere in any way with navigation; and, if so, has it been considered by the Engineers of the Army?

Mr. BREWSTER. It is my understanding that it has been reported by the engineers as not interfering with navigation. The site is located entirely outside the bounds of where vessels now pass, as both Eastport and Lubec find themselves and their wharves entirely outside the bounds of the dams, although a lock is being provided through which ships may pass if they wish to use one of these basins as an inner harbor.

Mr. BOLTON. In other words, it cannot be considered as coming within the river and harbor activities of the Chief of Engineers?

Mr. BREWSTER. It is my understanding that the Solicitor of the War Department has so ruled.

The engineering phase is notable. The upper bay is filled at high tide, when the water level is up, perhaps, 30 feet. It then runs through the dam to the lower basin, which is at the level of low tide. Meanwhile a great storage reservoir to take care of midtide is located some miles away, where the water is pumped 130 feet above sea level. It then flows down to take care of the period when the tides are just at mid. All of these features make it a thing of great engineering interest and will undoubtedly result in its receiving world-wide attention not only during the course of its construction but in its operation, which we trust may also result in an industrial development for the use of the very cheap power which will result.

Mr. HOLLISTER. Will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. HOLLISTER. This is absolutely for the development of power?

Mr. BREWSTER. Yes.

Mr. HOLLISTER. The gentleman is a great lawyer. Does the gentleman feel that the expenditure of Federal money solely for the development of power, with no connection with anything else, is a constitutional expenditure of funds?

Mr. BREWSTER. This project seems to come well within the bounds of the constitutional provision that Congress shall have power to "provide for the common defense and general welfare of the United States."

The CHAIRMAN. The time of the gentleman from Maine [Mr. BREWSTER] has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, I listened with a great deal of attention to the remarks made yesterday by our distinguished friend from Indiana [Mr. GREENWOOD]. He told us at the beginning that his was to be a political address. That was hardly necessary. I believe that I could have imagined our distinguished friend pleading a cause out in his home State as a brilliant defense lawyer, for certainly he brought to his command all of the ingenuity, all of the cunning, all of the craftiness that a brilliant, capable lawyer can bring to bear in defense of his own cause. I compliment him for the effort that he put forth to have the Democratic program appear in its best possible light. I tried to ask the gentleman a few questions yesterday as to what he understood to be regular expenditures and those which might be characterized as extraordinary expenditures. I want to quote him correctly. His declaration was:

No one is claiming on behalf of the administration that we are balancing the Budget or attempting to balance the Budget of the unusual expenditures which are an investment in the future, but we do say that, so far as current expenses are concerned, we are approximately balancing the Budget.

That is a startling confession. The Budget is not being balanced, nor is any attempt being made to balance it. How the party platform and the Democratic stump speeches of 1932 must haunt the faithful when they hear that bold and brazen confession.

I want to direct the attention of the gentleman from Indiana and the Members of the House to a few pertinent statements that were made during the course of the hearings on the naval appropriation bill. For instance, note the following from page 275 of the hearings on the Navy appropriation bill:

PROJECTS COMPLETED FROM FUNDS ALLOTTED BY P. W. A., FISCAL YEAR 1934

Mr. McLEOD. How much money did you receive from P. W. A. funds last year?

Captain McKITTRICK. I can give you a list of the Public Works projects which were completed during the fiscal year 1934 for the Naval Academy, including the hospital and all of the activities of that district. They are as follows:

1. Repairs to swimming pool filters.....	\$435
2. Pile dolphins.....	600
3. Improvements to Santee Wharf.....	25,844
4. Repairing smokestack, hospital.....	358
5. Window screens, radio station.....	823

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6. Irrigation system, Thompson Stadium.....	\$1,859
7. Painting radio towers.....	6,480
8. Overhead doors, radio.....	990
9. Repairs to <i>Reina Mercedes</i> pier.....	59,884
10. Timber trestle, experiment station.....	2,380
11. Fire pump, radio station.....	2,978
12. Shore protection, radio station.....	10,404
13. Flagstaff, hospital.....	1,342

Total..... 114,377

These are items that the gentleman from Indiana would have us believe were entirely extraordinary expenditures, yet the admission was made during the course of the examination by the gentleman from Michigan [Mr. McLEOD] that had there not been available extraordinary or emergency appropriations that these items would have had to have been provided for under the regular appropriation bills. No accountant would classify repair items as capital investments. I feel that there is no possible dispute between the gentleman from Indiana and myself as to whether or not these are future investments or just maintenance costs.

I refer the gentleman to page 437 of these hearings in which inquiry was being made with respect to the cost of the original fill of ammunition for the vessels of the Navy. I read:

Mr. McLEOD. In answer to a question by the chairman you said that it would be hard at this time for you to segregate the contribution of money specifically appropriated by Congress for the building of ships and that of P. W. A. funds. You recall making that statement, do you not?

Admiral STARK. So far as these new ships are concerned, that is not at all difficult, because they are built under their specific appropriations.

Mr. McLEOD. Of P. W. A.?

Admiral STARK. Separate records of obligations and expenditures are maintained for the ships being built under the P. W. A. allotment of funds. Perhaps I do not exactly understand your question.

Mr. McLEOD. You might answer the question this way: If money is provided by P. W. A. for the building of a ship, and the money is used for the building of a ship—P. W. A. money—is P. W. A. money also provided for the cost of the original fill of ammunition for that ship?

Admiral STARK. Yes, sir.

Mr. McLEOD. Regardless of whether it would be \$125,000 or \$375,000?

Admiral STARK. Yes, sir.

Mr. McLEOD. It would make no difference?

Admiral STARK. That is correct.

A navy would be a useless luxury indeed without ammunition. And still our friend would have us believe this is an extraordinary or emergency expenditure.

May I again refer my friend from Indiana—I have the greatest regard for him—to page 594 of those hearings where we have the startling disclosure made that the naval authorities have used P. W. A. money to provide the funds for the 5-percent increase in wages and the 40-hour week? I read:

How are you financing this year the 5-percent pay increase and the additional cost of the 40-hour week? Are you drawing on the indefinite appropriation or are you absorbing the expense?

Admiral SMITH. Part of it was taken care of by transfer of funds from Public Works appropriations.

Mr. CARY. From what fund was the transfer made, Admiral?

Admiral SMITH. Part of it was transferred from the public-works appropriations that were granted by Congress.

Mr. CARY. Was that public-works money that was allocated to the Navy for some specific purpose?

Mr. SMITH. No, Mr. Chairman. Public-works appropriations, as you know, are continuing appropriations. There are no yearly appropriations. They accumulate from year to year. We had under those appropriations an accumulated balance that had not been expended because of restrictions put upon cash withdrawals, which enabled us to transfer that amount of money from the public-works appropriations to the appropriation "Maintenance" without jeopardizing any project which had been authorized with which we might proceed.

Mr. CARY. How much was transferred from public works?

Admiral SMITH. The amount transferred to maintenance in 1935 was \$531,487 from public works and \$200,000 from emergency appropriations, making a total of \$731,487.

Mr. CARY. Without those transfers from the public-works appropriation and the emergency appropriation you would have been compelled to ask for a deficiency appropriation, would you not?

Admiral SMITH. Yes, sir; we would.

Mr. SMITH. We would have asked for an allocation of money in a deficiency bill which provided an appropriation to take care of those items.



Pay restoration and the additional cost of the 40-hour week comes within the extraordinary or emergency classification under the present administration's method of budgeting.

I wish the gentleman from Indiana would take the time to go through this record from beginning to end. I have picked out just a few statements at random. I wish he would do this, for then he would see how frequently throughout these hearings on the naval appropriation bill admissions are made by those in charge of the operations of the Navy that P. W. A. funds are used and have been used, and it is contemplated that they will be used, not for extraordinary items, not for emergency items, not for future investment items but for the operating costs, for the maintenance costs of the Navy. And what is true of the Naval Establishment is true in other governmental operations. The gentleman's criticism, therefore, caustically referring to the deficit of the Hoover administration might well be directed, only to a larger extent, to the present administration. If a single system of bookkeeping were being used, if we would put all of the items of income and all of the items of outgo in one set of books; if, in other words, we followed a bookkeeping system which would reflect definitely the deficit, the income, and the amount being spent, the country could then intelligently and honestly appraise the value of the alleged achievements.

The gentleman from Indiana dwelt at considerable length in his defense of the administration on the supposed benefits coming to the Nation from national planning in agriculture. He declared that we must have national planning in agriculture as we have had in industry. His glittering generalities included a statement that the farmer is producing the foodstuffs that feed America. A complaint from one of the housewives from my own district, directed to the Secretary of Agriculture, contradicts the assertions made by our distinguished colleague. The complaint is a recital of a personal experience of this woman when she went to market for the foodstuffs for the family. The suggestion was made to her that instead of buying boiled ham from America that she purchase a product which came in from Poland. As an inducement to her to buy the imported product, she was told by the storekeeper that the imported product could be sold for 20 cents a pound cheaper than the domestic hams. To this practical housewife it was difficult to reconcile the program of the Agricultural Department of limiting production and opening the doors wide to foreign competition. Her pointed inquiry to the Secretary of Agriculture was in these words, "I would like to know how you justify curtailing the raising of hogs in our own country, then permitting Poland to ship ham for consumption in the States. Do you consider this fair competition?" There can be no reasonable answer to this question. There is no justification for a program which will permit curtailment of a home product in order to invite the importation of a foreign product. There is only one basis for this procedure and that is the fantastic, experimental policy of wastefulness sponsored by the present administration. It is the philosophy of creating scarcity in a land of plenty in order to artificially raise prices. The records from the Ways and Means Committee on this subject are illuminating. During the calendar year 1934 there were imported from Poland 340,379 pounds of hams, shoulders, and bacon. During the first 3 months of 1935 there were imported 317,666 pounds of hams, shoulders, and bacon. In other words, during one-quarter of the present year there were imported almost as many pounds as were imported during the entire year of 1934.

In order to provide a market for the pork produced in Poland, where apparently the Tugwellian theory of birth control has not been adopted, the American farmer will be forced to continue the use of the contraceptive devices advocated for the relief of the American farmer in hog raising.

Time will not permit a reference to all of the defenses advanced by the gentleman from Indiana in justification of his party's program. As eloquent as he might be, the

futility of his effort is apparent. The administration's program has been one of extravagance, wastefulness, and luxury. It has been predicated on the theory that we should spend ourselves out of our difficulties. Profligacy is the order of the day. Frugality is a discarded and outmoded virtue, and no effort on the part of our colleagues on the other side of the aisle can refute these charges.

The warning of Plutarch might well be used as a warning to America today when he said:

It was a shrewd saying, whoever said it, that the man who first brought ruin on the Roman people was he who pampered them by largesses and amusements.

The need of America for today is for one budget—not a double budget—a budget which will reflect definitely emergency disbursements as well as regular disbursements; a budget which will reflect in all of the governmental operations the cost of the present program so that we today may know the enormous price being paid for the maintenance of the gigantic, bureaucratic machine created by the Democratic Party. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include certain excerpts.

Mr. DITTER. Mr. Chairman, reserving the right to object, do I understand that these are excerpts from official reports of Government departments?

Mr. McFARLANE. That is right; they will be Government records.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Chairman, I rise at this time to answer the remarks of the gentleman from Pennsylvania [Mr. RICH], which remarks are to be found in the RECORD of May 13, on page 7409. During the course of the gentleman's remarks, the following colloquy occurred between the gentleman and myself:

Mr. McFARLANE. The gentleman mentioned the total expenditures of the Government from its founding to the end of Taft's administration. Let us consider in connection with the Republican regime the gentleman speaks about, the legislation for which the Republican Party is responsible which has brought about the situation in the country where 4 percent of the people own more than 80 percent of the wealth. It was brought about through special-privilege legislation. Legislation enacted by the Republican Party is responsible for the present condition of the country.

Mr. RICH. I have heard statements similar to that just made by the gentleman from Texas made on this floor half a dozen times, that 4 percent of the people own 80 percent of the wealth. The gentleman is conservative, for many Congressmen have stated on the floor that 3 percent of the people own 95 percent of the wealth.

I wish gentlemen who talk thus would present facts and figures to support their conclusions. I wish some Member who makes such statements would come prepared with his figures to support them, and I shall try to get them printed in the RECORD, for I do not believe such statements.

Mr. McFARLANE. I shall be very glad to present them in my own time.

Mr. RICH. I may say to the gentleman from Texas that I doubt the accuracy of his statement. I believe he is misinformed. I have heard similar statements made on the floor of the House a number of times, as I said before. Several times I have tried to find authority for such statements but have not been able to find it. I do not believe it; I do not believe those statements.

#### THE DISTRIBUTION OF INCOME AND WEALTH

In answer to that colloquy with the gentleman from Pennsylvania, I have here information clearly showing that the Government records show that the statements I have made are in keeping with the facts as to the distribution of wealth in this country as near as it can be ascertained. I will first quote from the Washington Daily News, page 31, of April 11, 1935, in which it says:

The News assigned one of its most competent investigators, Lowell Limpus, to the job of digging up the figures. About Limpus' character and qualifications for such a job, it should be recorded that he is not a sentimentalist; is not suffused, for instance, with the conviction that when a white-collar person loses his job he should be taken by the hand by a paternalistic Government and taught eurythmic dancing. Limpus is a realist.

He was a West Pointer, in fact, and West Pointers are not noted for their sentimentality toward the poor, the rich, or anybody else.

So Lowell Limpus \* \* \* worked for weeks in the Library of Congress and elsewhere. \* \* \*

The results of that research are now being published in the News. And to the consternation of many people (including ourselves when we first heard of them), the results of that research show that \* \* \*

More than 96 percent of the workers in the United States receive less than the \$2,000 a year which is regarded as sufficient only for basic necessities.

According to the United States Federal Trade Commission, in 1926, 1 percent of the people dying did own 59 percent of the wealth reported; and since that time the rich have been getting richer in proportion and the poor poorer. (Italics mine.)

The national income picture projected on the year 1932, according to Mr. Lowell Limpus' analysis, shows:

#### I. The people

The poor (those with incomes of less than \$2,000 per year):	
Wage earners.....	28,263,372
Farmers.....	8,014,585
Unemployed workers.....	15,840,000
Total poor.....	52,117,957
The nonpoor (all those with incomes exceeding \$2,000 per year):	
From income-tax returns.....	2,083,153
Total employable adults.....	54,201,110

#### II. The money

Aggregate national income.....		\$57,204,980,000
Income of poor:		
Paid to wage earners.....	31,533,000,000	
Farmers' income.....	2,924,893,805	
Odd jobs of unemployed.....	429,037,350	
From gardens, roomers, etc.....	286,024,900	
Total income of the poor.....	35,172,955,055	
Income of the nonpoor.....	22,032,023,345	

#### III. Conclusions

Less than 4 percent (3.75) of the employable population receives 38.5 percent of the national income. More than 96 (96.25) percent of them receive less than \$2,000 per year.

This is not a new problem but is one that has been confronting our Nation for more than 50 years and, according to our leading economists, the concentration of wealth into the hands of a few people has been growing worse all the while. According to the above table more than 96 percent of the workers of the United States receive less than \$2,000 a year, which is regarded as sufficient only for basic necessities. Three and three-fourths percent receive 38½ of the aggregate national income. They own and control more than 87 percent of the national wealth. According to the News:

*The poor are getting poorer, the national income is steadily draining into fewer and fewer pockets, the Nation's wealth is rapidly coming under the control of a mere handful of men.* (Italics mine.)

These facts have been known for many years. Charles B. Spahr pointed them out in 1890. George K. Holmes, of the Department of Agriculture, spotted the maldistribution in 1892; Lucien Sanial again showed it in 1900. Bryan C. Matthews commented on it in 1908. The Commission on Industrial Relations sounded the warning in 1916. Dr. W. I. King surveyed it in 1921. The Federal Trade Commission in a report to the Senate, Resolution No. 451 of the Sixty-seventh Congress, reported on it in 1926. Robert Doane analyzed it in 1933, and the Daily News brought these figures down to date.

The Conference Board Bulletin, April 10, 1935, analyzed the national income produced from 1899 to 1934 and makes this interesting comment on the analysis submitted:

National income—the net value of the goods and services produced by the Nation's gainful workers—amounted to \$47,600,000,000 in 1934. Compared with \$41,800,000,000 in 1933, this represents an increase of 13.9 percent. In the same interval wholesale prices of commodities increased 13.7 percent, while the cost of living of wage earners rose 6.1 percent. The effective increase of national income, measured by purchasing power, was, therefore, considerably less than the nominal increase, measured in dollars.

Comparing 1934 with 1929, when national income reached its highest level, \$83,000,000,000, it is found that the income level declined 42.7 percent, wholesale prices 21.4 percent, and the cost of living 20.6 percent. The purchasing power of the national income produced in 1934 was, therefore, about 27 percent below the predepression peak.

While national income produced represents the earned income from production, it does not necessarily coincide with the combined income that is paid out or distributed to individuals as wages, salaries, and other labor income, rents and royalties, interest, dividends, and withdrawals by proprietors and partners. During the depression years 1930–33 estimates of the United States Department of Commerce indicate that income paid out exceeded income produced by about \$27,000,000,000. (Details, by industries, are given in National Income and Its Elements, Conference Board Bulletin, May 10, 1934.) The deficiency was met out of previously accumulated business assets.

#### National income produced, 1899–1934

Year	Total (billion dollars)	National income		
		Per capita	Per gainful worker, including unemployed	Index of wholesale prices, all commodities (1926=100)
1899.....	15.6	\$209	\$547	52.2
1900.....	16.2	213	556	56.1
1901.....	18.3	235	610	55.3
1902.....	20.8	262	674	58.9
1903.....	21.1	261	664	59.6
1904.....	21.6	262	661	59.7
1905.....	25.1	298	747	60.1
1906.....	27.6	322	800	61.8
1907.....	28.2	322	796	65.2
1908.....	24.9	280	684	62.9
1909.....	27.2	300	727	67.6
1910.....	30.1	326	785	70.4
1911.....	29.4	314	761	64.9
1912.....	31.8	334	814	69.1
1913.....	33.7	350	857	69.8
1914.....	32.0	327	806	68.1
1915.....	34.5	347	860	69.5
1916.....	44.2	439	1,093	85.5
1917.....	53.2	521	1,304	117.5
1918.....	60.2	581	1,463	131.3
1919.....	67.4	642	1,623	138.6
1920.....	74.3	697	1,770	154.4
1921.....	52.6	486	1,233	97.6
1922.....	61.7	562	1,423	96.7
1923.....	69.8	626	1,584	100.6
1924.....	69.6	615	1,555	98.1
1925.....	77.1	671	1,695	103.5
1926.....	78.5	674	1,699	100.0
1927.....	77.2	653	1,647	95.4
1928.....	80.5	671	1,691	96.7
1929.....	83.0	683	1,719	96.3
1930.....	70.3	571	1,436	86.4
1931.....	54.6	440	1,107	73.0
1932.....	39.4	315	793	64.8
1933.....	41.8	333	836	65.9
1934.....	47.6	377	946	74.9

Per capita income of \$377 was produced in 1934. This figure is 44.8 percent below the 1929 level, in dollars, and 30 percent below it in purchasing power. The average income produced per gainful worker, including the unemployed, was \$946 in 1934, as compared with \$1,719 in 1929.

The accompanying table and chart shows the total income produced, the income per capita of population, and per gainful worker from 1899 to 1934. The column of index numbers of wholesale prices, expressed in terms of 1926 as 100, furnishes an approximate guide regarding the extent to which rising incomes have been offset by rising prices, and vice versa.

These estimates of national income produced have been derived from a number of sources, adjusted in some instances to preserve continuity of concept. Figures for 1924–28, 1933, and 1934 are estimates of the National Industrial Conference Board. For 1929–32, United States Department of Commerce estimates of income produced have been used, as given in its report, National Income, 1929–32. For 1918–23, the Federal Trade Commission's estimates of national income in its report, National Wealth and Income, correspond to the production concept. For 1909–17, the estimates by D. W. I. King, of the National Bureau of Economic Research, have been adjusted, mainly by eliminating imputed income from ownership of durable goods (including owned homes). For 1899–1908 estimates by Dr. Warren M. Persons have been incorporated in order to carry the series back to the turn of the century.

Our leading economists agree that \$2,000 is the minimum annual income sufficient only for basic necessities for the average family, and the above table shows that only 2 years in the last 35 has the average worker received more than \$1,700 per year, or nearly \$300 less than a living wage. When our country was enjoying its most prosperous times,



the average worker received nearly \$300 less than the amount required for a bare living per family. Let us compare the average in this table showing income and wealth of the average worker, as above shown, with that of the income and wealth of the average farmer. According to Dr. A. G. Black, Chief of Bureau of Agricultural Economics, the following tables show agriculture's share of the national income and national wealth:

*Farm income per capita and agricultural wealth of the United States, 1909-34*

Year	Agriculture's share of national income		Agricultural wealth		Percentage agricultural wealth is of total
	Total	Per capita <sup>1</sup>	Total	Per capita	
	Million dollars	Dollars	Billion dollars	Dollars	Percent <sup>2</sup>
1909.....	4,988	156	41.3	1,291	19.6
1910.....	5,218	163	42.9	1,336	19.0
1911.....	4,815	150	44.1	1,374	18.7
1912.....	5,294	165	46.1	1,436	18.4
1913.....	5,133	160	47.7	1,486	18.2
1914.....	5,081	158	47.9	1,492	18.8
1915.....	5,488	171	50.5	1,573	18.1
1916.....	6,631	207	55.0	1,719	17.6
1917.....	9,188	288	61.6	1,931	17.1
1918.....	11,205	352	67.0	2,107	17.1
1919.....	12,182	384	79.1	2,495	18.2
1920.....	11,057	350	71.8	2,272	15.3
1921.....	6,967	220	63.1	1,991	14.6
1922.....	7,300	230	61.4	1,931	13.3
1923.....	8,026	256	58.9	1,882	12.1
1924.....	8,325	268	57.7	1,855	11.6
1925.....	9,089	292	57.8	1,859	10.8
1926.....	8,214	267	56.7	1,841	10.3
1927.....	8,371	276	57.2	1,888	10.2
1928.....	8,109	268	58.1	1,917	9.6
1929.....	8,254	272	58.1	1,917	9.3
1930.....	6,320	209	52.7	1,745	9.5
1931.....	4,659	152	45.3	1,480	9.6
1932.....	3,582	115	30.7	984	8.2
1933.....	4,557	142			
1934.....	5,287	163			

<sup>1</sup> Total of agriculture's share divided by farm population, Jan. 1.

<sup>2</sup> Agricultural wealth divided by farm population.

The Daily News of April 10, 1935, in analyzing the national income distribution trend, shows:

#### THE INCOME-DISTRIBUTION TREND

##### I. As revealed by income-tax returns

(Average of people under \$5,000 per year)

1928, 24.8 percent of the people had 67.3 percent of the income.....	\$2,700
1929, 23.07 percent of the people had 67.2 percent of the income.....	2,600
1930, 21.8 percent of the people had 58.1 percent of the income.....	2,600
1931, 18.3 percent of the people had 48.8 percent of the income.....	2,500
1932, 8.9 percent of the people had 36.3 percent of the income.....	2,800
1933, 8.5 percent of the people had 36.3 percent of the income.....	2,030

##### II. As revealed by Department of Commerce estimates

Per capita income	Salaried employees, selected industries	Wage earners, selected industries	All employees, all industries
1929.....	\$2,567	\$1,406	\$1,475
1930.....	2,589	1,331	1,448
1931.....	2,474	1,186	1,360
1932.....	2,175	959	1,199

Thus it will be seen by each succeeding year that fewer percent of the people is controlling a larger percent of the income. The News wealth-distribution trend clearly shows that as the years have passed the rich have grown richer and the poor poorer, as is shown by the following table:

#### THE WEALTH DISTRIBUTION TREND

##### I. As revealed by estate-tax returns

1916 (U. S. Ind. Com.) 2 percent of people reported owned 60 percent of wealth.

1926 (Fed. Tr. Com.) 1 percent of people reported owned 59 percent of wealth.

##### II. As revealed by independent estimates

1890 (Spahr) 1 percent of the people controlled 50 percent of wealth.

1892 (Holmes) 0.03 percent of the people controlled 20 percent of wealth.

1900 (Sanial) 0.08 percent of the people controlled 74 percent of wealth.

##### III. As revealed by Doane's estimates

	People with less than \$2,000 incomes owned—	People with more than \$50,000 incomes had—	People with more than \$500,000 incomes had—
	Percent	Percent	Percent
1921.....	17.12	10.94	2.36
1929.....	15.03	13.19	3.74

Analyzing the above table the News said:

All sources consulted agree that more and more of this wealth is coming into fewer and fewer hands. This applies to its control as well as its actual ownership.

Senator BURTON K. WHEELER, of Montana, made a survey recently of corporation control, and in analyzing the study made by himself and other economist experts, on pages 2200-2201 of the CONGRESSIONAL RECORD of February 19, 1935, he said:

Let me recite some statistics from an authoritative source—the Modern Corporation and Private Property, by Berle and Means.

In 1930 there were over 300,000 nonfinancial corporations in the United States. Their gross assets were approximately \$165,000,000,000. Of these 300,000 corporations, the 200 largest, including 42 railroads, 52 public utilities, and 106 industrials, each with assets over \$90,000,000, had combined assets of over \$81,000,000,000. These 200 corporations, representing less than seven one-hundredths of 1 percent of the number of corporations, thus control practically half of the corporate wealth of the country. Their control of the business wealth of the country, corporate and non-corporate, is equally impressive. It is estimated that at least 78 percent of American business wealth is corporate wealth. Since the 200 largest corporations control over 49 percent of all corporate wealth, it is estimated that they control over 38 percent of all business wealth. Likewise a substantial proportion of the total national wealth, corporate and noncorporate, business, agricultural, personal, and governmental, is controlled by these 200 largest corporations. Figures for 1930 indicate a total national wealth of about \$367,000,000,000. The \$81,000,000,000 controlled by these corporations represent about 22 percent of the total national wealth.

Even more significant than the present extent of concentration is its increasing rate; that is, the increase in the proportion of corporate business and national wealth controlled by the largest corporations. This rate of increase was greater for the years 1924-29 than for the years 1909 to 1929; but if we take the period of slower growth 1909 to 1929, and apply the same rate of growth for the next 20 years, we find that by 1950 70 percent of all corporate activity would be carried on by 200 corporations. By 1950 half of the national wealth would be under the control of such corporations and by 1970 all corporate activity and practically all industrial activity would be absorbed by these 200 giant corporations. If we take the more rapid rate of growth, from 1924 to 1929, and apply it to the future, we find that by 1950, 85 percent of the corporate wealth of the country would be held by these corporations, and by 1960 all corporate activity and practically all industrial activity would be in their control.

The existence of these giant corporations, of course, means enormous concentration of control in the hands of their individual managers. The 200 largest corporations are directed nominally by about 2,000 individuals out of a population of 130,000,000. These 2,000 individuals are those in a position to control and direct half of our corporate business. But actual control rests in the hands of even fewer individuals. Many of the 2,000 directors are inactive. The ultimate control, therefore, rests in the hands of a few hundred men. One further fact should be remembered. The foregoing figures are based on the direct control of assets by 200 nonbanking corporations. But the influence of each of these corporations, as is stated by Berle and Means, extends far beyond the assets under its direct control. In short, the bulk of our corporate resources, the product of the savings and labor of millions of individuals rests in the control of a handful of men. These are the facts. It is the very negation of industrial democracy. It resembles, instead, a feudalism more pervasive than that of the Middle Ages.

Certainly with these facts staring us in the face no one will further contend or deny that the incomes of the rich are increasing and that the wealth of the Nation is rapidly and steadily under these depressed times being concentrated into the hands of the few. The News of April 9 states it thus:

## THE NATIONAL-WEALTH PICTURE

## I. Its ownership (projected on Doane's figures for 1932)

Corporation owned.....	\$168,364,696,000
Government owned.....	23,073,269,000
Institution owned.....	27,469,250,000
Foreign owned.....	9,485,800,000
Individual owned.....	147,182,212,000

Total national assets..... 375,575,227,000

Owned by 52,118,000 poor (less than \$2,000 income).....	46,519,228,000
Owned by 2,083,000 nonpoor (more than \$2,000).....	100,662,984,000
Average owned by poor.....	892
Average of nonpoor.....	48,320

II. Its control (projected on Doane and income-tax figures, 1932)	
200 directors control corporations owning.....	\$36,137,840,000
1,836 people (with incomes of more than \$100,000 each) own 14 percent.....	52,521,600,000
2,000 persons control.....	88,659,440,000
20,316 people (with incomes of more than \$25,000 each) own 31 percent of national wealth, or.....	116,298,050,000
20,500 persons control.....	152,435,890,000

## III. Conclusions

More than 96 percent (96.25) of the employable adults own less than 13 percent (12.4) of the national wealth.

Less than one two-hundredths of 1 percent (0.005) of these people control nearly one-fourth (23.5 percent) of the wealth.

Less than 0.04 percent of these people control more than 40 percent of the national wealth.

## THE CAUSE

A review of the laws enacted for the past 60 years or more would throw great light on the reasons for the great concentration of wealth as above shown. Our lawmaking bodies, State and National, have continued year after year to enact legislation for the benefit of the well-organized lobbies, controlled by wealth and for their benefit and through the enactment of special privileged legislation, including tariff and tax laws, a small number of men through their nationwide property holdings and campaign of propaganda, have been able to dominate and control the business, economic, and political life of the Nation. Through their control of our medium of exchange and our banking system they have been able to contract and expand the currency at will and in this way cause panics that have periodically wiped out the life savings and property holdings and earnings of the people, and have permitted these money changers to get possession of a large part of the Nation's wealth at a small percent of the real value of such property. The greatest vehicle used by these predatory interests in carrying out their program has been through the collection of interest.

## USURY

Under the laws of God given by Moses usury or interest is positively forbidden, and the Bible is full of passages prohibiting the taking of interest or usury: Exodus 22:25, Leviticus 25:35-37, Deuteronomy 23:19, 20, Psalms 15:5, Proverbs 28:8, Luke 6:35.

Yet we find since about the fifteenth century, as the importance of the big bankers has grown and their power extended and their control, first over the church, then over the politics of the nations, has enabled them to control legislation and have enacted laws legalizing usury at whatever rates possible until now interest taking is recognized as a highly legalized moral undertaking. The statement has been frequently made during recent sessions of Congress that the total interest burden of the people of the Nation today is about \$15,000,000,000. Add to this the total tax burden of the people (National, State, county, and school) amounting to about \$15,000,000,000, would make a total annual interest and tax burden for the 25,000,000 families in the United States of \$1,200 that each family must pay for interest and taxes alone. No Nation can stand any such a burden of indebtedness forced upon its people. Interest should be abolished in keeping with the teachings of the Bible. Wealth is barren. It produces nothing; it merits no increase.

To give some idea of how the interest burden alone, of the Federal Government has increased I submit the following table:

## Interest on the public debt

## Fiscal year:

1917.....	\$24,742,702
1918.....	189,743,277
1919.....	619,215,569
1920.....	1,020,251,622
1921.....	999,144,731
1922.....	991,000,759
1923.....	1,055,923,690
1924.....	940,602,913
1925.....	881,806,662
1926.....	831,937,700
1927.....	787,019,578
1928.....	731,764,476
1929.....	678,330,400
1930.....	659,347,613
1931.....	611,559,704
1932.....	599,276,631
1933.....	689,365,106
1934.....	756,617,000
1935.....	837,000,000

It is estimated that the average worker today spends about one-half of his time working to pay for his per capita interest and tax burden to which you exclaim, "I pay no interest and/or taxes." However, if you will analyze your purchase you will find these charges in everything you purchase, your food, your clothing, your rent, your transportation, as well as your payments for professional services and other purchases, and these fixed charges are always increasing.

## THE REMEDY

The President, when he flew to Chicago and made his acceptance speech as nominee of our party in 1932, said:

That admirable document, the platform which you have adopted, is clear. I accept it 100 percent. [Applause.]

In the first plank of the 1932 Democratic Platform, we read the following:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

In his acceptance speech the President said:

For 3 long years I have been going up and down this country preaching that government—Federal, State, and local—costs too much. [Applause.] I shall not stop that preaching. As an immediate program of action we must abolish useless offices. We must eliminate actual functions of government; functions, in fact, that are not definitely essential to the continuance of government. We must merge, we must consolidate subdivisions of government, and, like the private citizen, give up luxuries which we can no longer afford.

By our example at Washington itself we shall have the opportunity of pointing the way of economy to local government, for let us remember well that out of every tax dollar in the average State in this Nation, 40 cents enters the Treasury in Washington, D. C., 10 or 12 cents only go to the State capitals, and 48 cents out of every dollar are consumed by the costs of local government in counties and cities and towns.

And then further he said:

Throughout the Nation, men and women, forgotten in the political philosophy of the Government, of the last years look to us here for guidance and for more equitable opportunity to share in the distribution of national wealth. [Applause and cheering.]

And in his inaugural address he said:

Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

True they have tried, but their efforts have been cast in the pattern of an outworn tradition. Faced by failure of credit, they have proposed only the lending of more money. Stripped of the lure of profit by which to induce our people to follow their false leadership, they have resorted to exhortations, pleading tearfully for restored confidence. They know only the rules of a generation of self-seekers. They have no vision, and when there is no vision the people perish.

The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

No President has served our Nation confronted with greater problems than has President Roosevelt and no President has tried harder than has he to remedy the chaotic



condition he found at the beginning of his term of office. His most bitter critics will concede our Nation today has made greater progress toward recovery from the depression in which we found ourselves in March 1933. We should, however, hew to the line and cut expenses wherever possible in keeping with our pledge to the people.

We should immediately set ourselves to the task of working out a more equitable opportunity to share in the distribution of national wealth. In order to do this Congress must coin money and regulate its value and stabilize its purchasing power at the earliest possible time. We should immediately amend our tax laws by increasing our inheritance taxes, at least comparable with those of France and England, and we should tighten up our gift-tax law nullified by the reign of Mr. Andrew W. Mellon.

I have offered measures covering these subjects that I hope will receive the immediate consideration of the Ways and Means Committee, H. R. 8401, H. R. 8402, and H. R. 8403.

We should further amend our personal income-tax laws by the enactment of a progressive personal income tax providing rates sufficient to insure a fixed ceiling on personal income. Such an amendment to our tax laws would peacefully and orderly bring about a redistribution of our national wealth. These amendments would soon be reflected to both the consumer and producer.

Business, which is prone to reduce wages or oppose their increase, would not find it advantageous to do so if the resultant savings increased their income tax sufficiently to reduce their personal income. Likewise, the incentive to reap excess profits by increasing the selling price would cease to exist. Instead the tendency would be to maintain good wages, shorten hours, and decrease prices to the lowest point compatible with this maximum possible personal income. The increased wages, shorter hours, and decreased selling prices would automatically benefit the whole community by increasing employment and buying power.

Such a tax would not only eliminate profiteering but would stimulate legitimate business and profits. By taxing only personal incomes and not business profits, a handicap would be removed from business. Untaxed, undivided profits would be available for development and expansion made necessary by the increased buying power of higher wages and more employment.

Deferred dividends or undivided profits held to avoid the tax would be futile. The longer profits were allowed to accumulate the larger the dividends or taxable income when the melon was cut, and so the greater the tax and the smaller the personal income would be. Yearly dividends would thus necessarily result. Only such undivided profits as were necessary for sinking funds, operating expenses, and expansion could profitably be held. Excess profits, that now through salaries, commissions, bonuses, and dividends find their way into the pockets of a few stock manipulators and officials would then be participated in by all stockholders and indirectly by the public also.

Would such a tax drive money into tax-exempt securities? Not necessarily. Better and surer dividends to small stockholders should have the opposite effect. However, with an income limited to \$50,000 yearly, one would never be able to buy enough tax-exempt securities to be a menace to the community.

Many economic evils and practices that are common under the present system would not be practical or profitable with such a progressive personal income tax. Holding companies, trusts, monopolies, and other devices for making and covering up excess profits would be of no avail. All such profits would ultimately be passed on as personal income and so would be available for taxation.

The temptation to water stock would be much lessened. Stocks are watered so that a few at the top may reap a bounteous harvest without giving anything in return. What would be the advantage of such manipulation if most, or all, of the profits reverted to the people through taxation?

The proposed tax would make large holdings of unproductive natural resources unprofitable or impossible and so help

to restore such resources to the people. It would tend also to break up all large fortunes and holdings however owned or controlled. We would have no millionaires or wealthy playboys, also fewer paupers.

The perennial warfare between labor and capital would be largely avoided by such tax. Labor troubles are usually due to the desire of the employed for a more equitable share of the profits of industry. Given such a share, the conflict should cease.

Undue political influence and power that so often goes along with great fortunes and incomes would naturally be much less when such fortunes and incomes no longer exist.

Such a tax would take the excess profits out of the munitions and shipbuilding industries. It would thus help to eliminate one of the potent factors that tends to promote war.

Would such a tax and such a limitation of personal income deprive us of the services of our great industrial leaders? Would competent men refuse to work for such a pittance? We need have no misgivings about not being able to secure the services of competent men in any line or for any job for an income of \$50,000 per year. The net salary of the President is about \$50,000. Our Congressmen, Cabinet members, Supreme Court Justices, and business executives all receive less than \$25,000 per year. Competent men are found in every line of work who do not receive that much. In fact, all of our so-called "industrial leaders" have worked for less and would gladly do so again, if necessary.

Let us suppose such a one should refuse to work for a paltry \$50,000 per year. What would he do? Retire to his million-dollar estate and live off his income? Well, as that income could not be over \$50,000 per year, he would not be able to pay taxes and upkeep on that million-dollar estate very long. As a result, the estate would have to be sold. This, of course, would be very desirable. The land would then be available for small home owners. A number of small home owners is a far greater asset to any community than is one large estate.

Nor need we fear that our millionaires would take their wealth and flee the country. If they did leave they would not be missed. They could take with them little of real value. Our industries and resources would have to be left behind.

Would the possessors of swollen incomes try to evade such a tax? Probably so. Many of them try to now, and they often get by with it. Under the proposed plan such evasion would be more difficult. The greater the income the more numerous the sources from which it is derived and the more complicated and difficult it is to uncover. A limited income would naturally be derived from a smaller number of sources and so would be much easier to check. Requiring all corporations and employers to report the wages, salaries, bonuses, and dividends paid to all employees, stockholders, and officials would reduce evasion to a minimum. Anyone found spending money clearly in excess of his reported income would, of course, be a subject for special investigation.

Some will say it sounds all right but the people would never stand for such a tax. Well, that depends on what is meant by the people. Under the proposed plan, as under the present one, only a very small percent of the voters would pay any income tax at all. The rate on the lower incomes, \$4,000 or less above exemptions, would be less than now. We might conservatively conclude that less than 1 percent of the people would then pay more income tax than at the present. The other 99 percent and all the non-income-tax payers would profit either directly or indirectly. If properly presented to the people, their own self-interest should cause them to approve such a tax.

Since our income tax is provided for by constitutional amendment we should have no interference by the Supreme Court. Nor could it be said that the proposed tax would violate the provisions of the Constitution which forbids unjustly depriving anyone of his property. It would merely prevent acquisition of property in excess of that compatible with the public good.

As stated before, the amount of the tax suggested, 1 percent on the first \$1,000 above exemptions and increasing 1 per-

cent with each additional \$1,000, is purely arbitrary and may be adjusted to meet the needs of the Treasury Department for income. The practical working of such a plan is the point stressed. To be effective the tax must progressively increase so that excess profits will result in a diminished personal income. A lesser tax, such as our present income tax, is shifted to the consumer and so will not produce the desired result.

Such a tax would best be a Federal tax. There would then be no excuse for a business, corporation, or surtax. The ultimate purpose of all profits is personal income. Real-estate and personal-property taxes would then, as now, be left to the State, county, and municipality. The rationale of this is easily seen. Real estate and personal property is local and so available for local taxation. One's income may be derived from Nation-wide sources and so can best be controlled by a Federal tax.

I have requested an estimate of the revenue that would be yielded under the different measures above discussed, and have received the following information from the Treasury Department in this regard in a letter dated May 8, 1935:

*Estimated increases in revenue*

Individual income tax.....	\$234,400,000
Estate tax.....	127,000,000
Gift tax.....	14,200,000

In conclusion, let me urge you that if you favor the legislation I have offered and believe in the remedies suggested that you immediately contact the members of the Ways and Means Committee and ask for hearings on these bills so that we may get action and have this legislation considered on the floor of the House. The depression is still with us; more than 10,000,000 able-bodied men anxious to work cannot find employment at a living wage. Men, women, and children, because of this condition, are going hungry and are in need of clothing and a place to live.

Do you as a Member of Congress have the courage to vote for legislation that will drive the money changers from the temple and restore our Government back into the hands of the people? If so, let us work and vote for legislation which will bring about that result. Let us redistribute the wealth through limitation of personal incomes, through increasing our inheritance and gift tax rates, making them at least the equal of those of other countries. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein certain letters address to me and the replies to same.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRUAX. Mr. Chairman, the gentleman from Illinois and some other Members thought I was applauding the statement just made by my friend the gentleman from Texas [Mr. McFARLANE] when he said that the rich were becoming richer and the poor becoming poorer. I did not applaud that statement. Rather I condemn the condition he recites. I was applauding, however, the courage of the gentleman from Texas to come out here on the floor of the House and tell the truth in regard to the maldistribution of wealth in this country. I shall have more to say about that subject later. In my judgment, the only way this evil may be corrected once and for all is by a capital tax levy, bringing every swollen fortune down to \$1,000,000 and scaling every big income down to not more than \$50,000 a year, and I think that is about \$40,000 too much.

Mr. McFARLANE. Will the gentleman yield?

Mr. TRUAX. I yield to the gentleman from Texas.

Mr. McFARLANE. I am working on a tax measure that will bring about just that result; that is, limiting future incomes to not exceeding \$51,500 annually.

Mr. TRUAX. I would not make it \$51,500; \$50,000 is about \$40,000 too much.

Mr. Chairman, I want to call the attention of the Members of the House to one of the most sinister campaigns of propaganda being conducted by the big interests and by big busi-

ness, the fellows who were down here in Washington a few days ago attending the convention of the United States Chamber of Commerce. In this convention they roundly criticized and condemned President Roosevelt and the new deal. This campaign of propaganda is directed to the Members of Congress so that we will oppose the Wagner National Labor Relations Board. I am happy to say that as a member of the Committee on Labor our committee voted unanimously to report this bill favorably.

Yesterday the Senate passed the bill by a vote of 63 to 12. During this very week and for some days before, we have had an organized propaganda by big business and by the big industrialists seeking to have this bill defeated.

Mr. Chairman, I have here some telegrams received today. They come from Columbus, Cleveland, and other cities in the State of Ohio. These telegrams and letters are inspired by the big business interests. They are the known enemies of all legislative measures that have as their end the benefit and welfare of the great mass of the common people of this country. I ask permission to insert in the RECORD a reply that I have drafted to all of these telegrams and letters. This reply is drafted upon the basis that the two greatest producing classes of the country are the farmers and wage-workers who create all the wealth and ultimately pay all of the taxes. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. TRUAX. Mr. Chairman, I take this opportunity to make one last argument and to take one last parting shot, as you might call it, for the enactment into law of the Patman soldiers' bonus bill. We read in the newspapers that this bill has been forwarded to the White House and that the first of next week, probably Monday, we will receive a veto message from the President of the United States. I want to say that if this veto message actually does come before us on Monday of next week, in my humble opinion, it will be contrary to the wishes of the great majority of people in this country. It will be contrary to the wishes of the farmers in this country. It will be contrary to the wishes of the great mass of wage-workers of this country. It will be contrary to the wishes of the unemployed. It will be contrary to the wishes of 20,000,000 people who are on the relief rolls and it certainly will be contrary to the wishes of the ex-soldiers. Mr. Chairman, I propose to vote to override the expected veto. [Applause.]

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

Please defeat Wagner bill. Save country from ruin.

LOUIS ACKLIN.

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

Help defeat Wagner bill to save country from poorhouse.

DR. W. A. WOMACK.

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

If Wagner bill not defeated, country infested with strikes and unrest.

WALTER J. BOEHMERT.

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

I sincerely urge you to defeat the Wagner dispute bill.

GEORGE BERGHAUS.

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

Imperative to defeat Wagner bill; avoid continuous strikes.

N. P. LARSEN.

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

I sincerely urge you to defeat the Wagner dispute bill.

ROGER D. MIDDLEKAUFF.



CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

*House Office Building:*

Defeat Wagner bill, save country from chaos.

HENRY KLEFMAN.

CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

*House Office Building:*

Wagner bill will force industry to fall; organizers please defeat.

JOHN C. CHAL.

CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

*House Office Building:*

Wagner dispute bill danger to all industries. Help defeat it.

JAMES HOLAN.

CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

*House Office Building:*

Defeat Wagner bill, avoid strikes and industry trouble.

JOHN KOTT.

Mr. Chairman, here are 10 telegrams evidently inspired from the same source and apparently dictated by the same hand. You will note that they are all transmitted on the same day, May 15, 1935. The time of transmittal ranges from 11:46 a. m. to 12:15 p. m., exactly 29 minutes to send these telegrams from the Cleveland office of the Postal Telegraph Co. I want to commend the Postal Telegraph Co. for their speed in transmittal, and also for the fair dealing in absorbing the 5-cent Federal tax on telegrams, instead of charging it to the sender, as is done by the Western Union Telegraph Co., a Kuhn-Loeb, Morgan outfit, so I am told.

In the State of Ohio the Postal Telegraph charges us 25 cents for a 10-word message, while the Western Union charges 30 cents for the same message. This is a racket, resulting in millions of dollars of illicit profits annually. Getting back to telegrams, I am told that the passage of the Wagner bill will cause ruin in the country. It will send people to the poorhouse. It will promote strikes and unrest. It will send us hell-bent to chaos. Industry will fall, and so forth, and other asinine nonsense.

History tells me, and the most costly depression in all history proves, that the racketeering bankers, industrial pirates, and millionaire bluebeards did more to send this fair country of ours headlong into irreparable and irreconcilable industrial ruin, financial chaos, than all of the horny-handed farmers and wageworkers combined.

A financial dictator nor an industrial czar never arises from the ranks of the workingman. A Robespierre is never born from the masses of those who earn their bread by the sweat of their brow.

Here are a baker's dozen of telegrams, ranging from the American Rolling Mills Co. to the Tinnerman Stove & Range Co. These messages are interesting but not necessarily dangerous.

MIDDLETOWN, OHIO, May 17, 1935.

Hon. CHARLES V. TRUAX,

*House of Representatives:*

I cannot believe that you would support the Wagner bill as now written if you understood serious situation confronting employees in industry should this law be enacted as passing Senate. Employees would be subject to racketeers and abuse, which would result in strife such as this country has never known. Senator WAGNER at 1934 hearings agreed his bill ought to be amended so as to prohibit intimidation and coercion from any source. We urge you to insist on this amendment before final passage of this legislation.

CHARLES R. HOOK,

*President the American Rolling Mill Co.*

COLUMBUS, OHIO, May 17, 1935.

The Honorable CHARLES V. TRUAX,

*House Office Building:*

If enacted, Wagner bill should by all means be amended to prevent intimidation and coercion from any source exerted on employees by outside influences; otherwise dissension and strikes will increase.

DON K. MARTIN,

*Ohio Manufacturers' Association.*

CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

*Representative at Large from Ohio,**House Office Building, Washington, D. C.:*

Sir, as employers of labor we protest against the enactment of the pending Wagner labor-disputes bill.

JOHN NEWELL,

*President Reid Products Co., Cleveland, Ohio.*

TRENTON, N. J., May 14, 1935.

Hon. CHARLES V. TRUAX,

*House Office Building:*

We strongly urge you to vote against the Wagner bill; also we ask you to work for an extension of the National Industrial Recovery Act for a period of 2 years.

JOHN A. ROEBLINGS SONS CO.,

*W. A. ANDERSON, Vice President.*

DAYTON, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

*House Office Building:*

Have discussed with a number of your constituents here their feeling in regard to Wagner bill, and the universal feeling seems to be that there are many features of the bill which will prove disastrous to the industries of your State.

R. T. HOUK.

CLEVELAND, OHIO, May 15, 1935.

CHARLES V. TRUAX,

*House Office Building:*

We urge you to do all in your power to defeat Wagner labor disputes bill, which threatens introduction of unlimited industrial strife and indefinite postponement of economic recovery.

TINNERMAN STOVE & RANGE,  
GEORGE A. TINNERMAN.

DAYTON, OHIO, May 16, 1935.

Hon. CHARLES V. TRUAX,

*House Office Building, Washington, D. C.:*

We emphatically protest passage Wagner labor bill, respectfully requesting your active opposition to it.

DAYTON TOY &amp; SPECIALTY CO.

CLEVELAND, OHIO, May 16, 1935.

CHARLES V. TRUAX,

*House Office Building, Washington, D. C.:*

We appeal to you to vigorously oppose the Wagner labor relations bill, as we are very strongly of the opinion that its passage would create wide-spread industrial disturbance, destroy amicable relations existing between employers and employees for many years, and retard recovery.

NATIONAL MALLEABLE & STEEL CASTINGS CO.,  
CARL C. GIBBS, *President.*

MARIETTA, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

*House Office Building, Washington, D. C.:*

We consider the Wagner labor relations bill, S. 1958, un-American and unfair to employers and unorganized labor, and believe it packs a lot of dynamite for all industry. We respectfully urge your opposition to the measure, because of its many one-sided provisions.

MARIETTA TORPEDO CO.

DAYTON, OHIO, May 16, 1935.

CHARLES V. TRUAX,

*House of Representatives, Washington, D. C.:*

We respectfully urge you to oppose Wagner bill.

HARRIS THOMAS DROP FORGE,  
G. E. HARRIS.

COLUMBUS, OHIO, May 14, 1935.

Representative CHARLES V. TRUAX,

*House Office Building:*

Please throw your influence against the Wagner labor-disputes bill, which has been approved by Senate Educational Committee on Labor and reported to Senate. This bill is a menace to American industry and will greatly retard a business come-back.

R. H. BELL, Jr.,

*Neil House.*

CLEVELAND, OHIO, May 17, 1935.

Hon. CHARLES V. TRUAX,

*House of Representatives Office Building:*

Cannot too strongly urge your vote against Wagner labor-disputes bill, despite pressure upon you by selfish interests not truly representative of working men and women.

H. P. EELLS, Jr.

CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX:

Avoid paying membership dues to American Federation of Labor by defeating Wagner bill.

ALBERT PAVETKA.

The following letter emanates from one of the largest retail merchandising establishments in Ohio:

CLEVELAND, OHIO, May 2, 1935.

HON. CHARLES V. TRUAX,

*House of Representatives, Washington, D. C.*

DEAR MR. TRUAX: In view of the fact that the proposed Wagner labor-disputes bill, S. 1958, has come out of the Senate committee, we ask that you give careful consideration to the serious effects that undoubtedly would follow the adoption of such a bill.

Since the passage of the N. I. R. A. we have had considerable experience with many of its phases, and particularly with 7 (a). While we have always believed that 7 (a) should have contained the same prohibitions against coercion, intimidation, etc., on the part of employees, employees' organizations, and labor unions (of which some portion of the employees might perhaps be members), that were imposed upon the employers by the specific language of the act, nevertheless we feel that it would be far better to continue 7 (a) in its present form than to operate a retail store under the proposed Wagner bill.

You are no doubt familiar with the favorable as well as the unfavorable features of the bill itself, and we hope you will oppose its enactment.

Very truly yours,

THE HALL BROS. CO.,  
JAY IGLAUER,

*Vice President and Treasurer.*

I know this merchandising organization only by reputation. I know them to handle a high-grade line of merchandise and to charge and receive prices commensurate thereto. They complain about their experience with section 7 (a) of N. I. R. A. Strange to relate, organizations of employees complain about this same section. They contend that Donald Richberg nullified the intention of Congress and the intention of the President by his arbitrary interpretation of section 7 (a) of the Recovery Act. Organized labor contends, and rightly so, that the N. I. R. A. should be continued, if not for any other reason than because of the abolition of child labor, outlawing of "yellow dog" contracts, and the right of collective bargaining under section 7 (a).

The truth is, however—labor knows this, and it is also known by the real friends of labor in Congress—that section 7 (a) is not enforced, and the big industrialists and the big commercialists do not want it enforced. I must admit the contentions in this letter have more merit than the others. This firm is to be commended, because in over 42 years of business life they have had no labor disputes until March 1934. Had a similar condition been observed by the majority of large employers of labor, there perhaps might not be so much need today for the legislation we are considering. The regrettable fact remains, however, that such has not been the experience of others. Hence the imperative need for this legislation.

I am happy to include this letter from the Hancock Savings & Loan Co.:

THE HANCOCK SAVINGS & LOAN CO.,  
Findlay, Ohio, May 3, 1935.

HON. CHARLES V. TRUAX,

*House Office Building, Washington, D. C.*

DEAR MR. TRUAX: We know you are flooded with letters and arguments, both in favor of and against the legislation that is proposed, and we hesitate to write you, but we feel it our duty, and we feel quite sure that you will agree with us that there are many bills before the Legislature at this time that are very radical. We refer to the Wagner labor-disputes bill and the Black 30-hour bill, as well as the social legislative program that is before you.

We feel that if business was left alone today, we would be on the way to recovery, and when business was approaching, or was near, normal would be a much better time to consider social legislation, as well as other legislation mentioned above.

We would appreciate a very serious consideration along this line. Money is piling up in all financial institutions, who are waiting for an opportunity of investment, if given the assurance there was going to be no rational change.

With kindest personal regards, I remain,  
Sincerely,

R. C. FIRESTONE, *Secretary.*

I expected, naturally, that this legislation would be opposed by the money lenders. I am at a loss, however, to understand just how money-lending institutions would be adversely affected by the enactment into law of the Wagner-Connery labor relations bill. As I know the business, their hours are not long, the work is not toilsome, the employees are not numerous. They have few labor disputes. I fail to perceive how this institution would be seriously affected

by the 30-hour-week bill, but here is the colored gentleman in the woodpile.

You will note that these people are opposed to the President's social security legislative program. In other words, they are against the new deal, they are against old-age pensions, employment insurance, old-age annuities. I take it that they also oppose the Rayburn-Wheeler utility bill which proposed to abolish once and for all time the real overlords of creation, the Morgans, the Dohertys, and the Mellons of public-utility holding companies.

You assert, Mr. Firestone, "money is piling up in all financial institutions." I have heard that statement made before. I heard that statement made on the floor of the United States Senate a short time ago. A distinguished Senator asked for the proof of that assertion. He was not furnished the proof. If your statement is true, then why is it necessary for the United States Government to authorize \$3,000,000,000 of Government funds to refinance farms—to authorize nearly \$5,000,000,000 Government funds to refinance homes? If your statement is true, then why is it necessary for the Reconstruction Finance Corporation to act as a central bank, practically owning 6,000 of the 15,000 banks in the country open and doing business today? No doubt you will try to tell me that the millions of workers in this country who are unemployed now and who will have a tendency to be unemployed when this country comes out of depression, largely because of progress in mechanical agencies and machines, no doubt you will tell me that these people will suffer more than in the past if this bill is enacted into law. Frankly, I do not believe any such statements or assertions. I think you are in error and that you will so admit once this bill is enacted into law and becomes operative.

You will recall that only a short time ago the brewers of the country were having bad attacks of financial jimmies because their places of business were closed as tightly as tombs. Then the Seventy-third Congress, responding to the wishes and desires of the people, legalized beer and other beverages. When that legalization was in process of consummation by Congress, we were told by brewers and prospective brewers that the people, and especially the thirsty ones, would soon be lapping up 5-cent beer. That ill-timed prophecy has never been fulfilled to my knowledge. The price is still 10 cents. Instead some brewers are attacking the proposed processing taxes for hops, and now they rant about this bill. The manager of the company whose place of business is in my own congressional district, I am sure is unduly excited when he says that this measure "spells ruin for industry in this country." The fact that he spells the words "ruin" and "opposes" on his typewriter with red ink is prima facie evidence that he is excited. He concludes his little epistle with these words, "the Black 30-hour bill is just as bad." Here again I must disagree with this gentleman.

FINDLAY, OHIO, May 11, 1935.

HON. CHARLES V. TRUAX,

*House Office Building, Washington, D. C.*

DEAR MR. TRUAX: If there ever was a measure that spells ruin for industry in this country, it is the Wagner labor-disputes bill, S. 1958.

We do trust you will see fit to oppose this bill.

The Black 30-hour bill S. 87, is just as bad.

Thanking you, I am, very truly yours,

WM. J. ALTMAYER,  
*Manager the Krantz Brewing Co.*

DAVID KIRK, SONS & CO., LTD.,  
Findlay, Ohio, May 4, 1935.

THE HONORABLE CHARLES V. TRUAX,

*House Office Building, Washington, D. C.*

MY DEAR CONGRESSMAN: The writer was very much startled by the news that the Wagner labor-relations bill now appears acceptable to the majority of Congress.

This is inconceivable to me that our Representatives would even consider such a dangerous piece of legislation, which is so vague in its wording that wide-spread confusion and endless litigation must follow any attempt at interpretation.

This bill would put Federal Government endorsement on the closed shop, which would definitely lead to the recognition of national labor unions in all our industries, providing for ma-



majority rule, by which 51 percent of the employees of industry could decide for the other 49 percent, and an outsider could originate or enter into a dispute by which he is not affected and need not be either an employer or an employee.

The bills S. 87, S. 1958, H. R. 3657, and the Wheeler-Rayburn utility bill should be defeated for the best interests of the country, of which you and I are a part.

The writer would be pleased to hear your views on this, as I have always respected your judgment a lot in matters of this kind.

With kindest personal regards, I remain,

Yours very truly,

DAVID KIRK, Jr.

Here is another from my own congressional district, the eighth of Ohio. This comes from a well-known wholesale grocers and importers company. The writer of this letter is "much startled by the news that the Wagner-Connelly bill appears acceptable to the majority of Congress." Well, this gentleman must recall that the majority of Congress is the Democratic majority in Congress and the majority that enacted into law the Roosevelt recovery measures. I voted for practically all of these recovery measures. I confess that I voted against the so-called "administration banking bill" a few days ago. To me this bill meant a continuation and perpetuation of the bankers' racket, which costs the taxpayers of this country billions of dollars every year. Therefore, I voted "no" on this bill.

This gentleman also discloses a clearly defined line of demarcation between his views and those of us who are fighting for an equitable redistribution and distribution of national wealth, property, and income. I am transmitting to the gentleman mentioned a copy of the letter which has been prepared to answer the hundreds of similar propaganda letters and telegrams received in my office. There are literally hundreds of these communications in the same vein and along the same lines that could be included if time and space and ethics permitted. Some of our constituents resent and object to the acknowledgment and answering of these letters by form letters. Some of them call them circular letters. I regret this incident deeply and can only say to these constituents that a limited office force and a limit on our time, even though we do not govern our time by the N. R. A., precludes a more formal and personal reply.

Now come some gentlemen living up in the Seventeenth Ohio Congressional District, namely, the Swisher & Shafer Auto Co., dealers in Cadillac, La Salle, Stutz, and so forth. Perhaps these gentlemen are influenced by the kind of customers they deal with, since it will be universally admitted that owners and drivers of Fords and Chevrolets are inclined to be more concerned with the welfare of the working people than are the owners and drivers of Cadillacs, La Salles, and Stutzes:

SWISHER & SHAFER AUTO CO.,  
Mansfield, Ohio, May 13, 1935.

Representative CHARLES V. TRUAX,  
Washington, D. C.

DEAR REPRESENTATIVE: We are writing this letter asking you to help us in protesting the Wagner labor-relations bill (Senate bill 1958), which we are sure if passed will make it bad for the manufacturer as well as the automobile dealer.

We will appreciate your help.

Thanking you in advance for your support,

Yours very truly,

W. O. SWISHER.

Here comes our old friends, the American Ship Building Co. Here is their letter:

THE AMERICAN SHIP BUILDING CO.,  
Cleveland, Ohio, May 14, 1935.

HON. CHARLES V. TRUAX,  
House Office Building, Washington, D. C.

HONORABLE SIR: We would like to take the liberty of giving you our views in regard to the Wagner National Labor Relations Act, or any bill embodying its principles. From every angle we believe that this bill would be detrimental to the public. By far the large majority of employers and employees in this country have maintained harmonious relationships for years, and there are a great many companies where satisfactory employee representation plans have been in actual operation for long periods of time and where the employees themselves have insisted upon exercising this right by themselves, as they are now doing, without any outside jurisdiction or interference.

This bill is backed only by the American Federation of Labor and the professional labor leaders who, on their own figures, represent not more than from 10 percent to 12 percent of the country's industrial workers. In its practical application this bill

would allow the rights of the other 90 percent of the country's workers to be entirely subjugated to this 10 percent. It offers nothing to prevent labor organizations and other forces from exercising any degree of violence, coercion, or intimidation against employees. It contains nothing which would make professional labor organizations in any way responsible in the eyes of the law.

If passed this bill would do more than anything which has occurred in recent years to set up false standards of class distinctions and of class interests where previous relations were harmonious and where there is no real diversity of interests.

May we urge that you do all in your power to defeat this bill?

Very truly yours,

R. B. ACKERMAN, Secretary.

It seems that these gentlemen suddenly become vitally alarmed about the welfare of the "people." In fact, they go so far as to say that the Wagner National Relations Act will be "detrimental to the public." They take a left-handed crack at labor also by saying the bill is "backed only by the American Federation of Labor and the professional labor leaders who, on their own figures, represent not more than from 10 percent to 12 percent of the country's industrial workers." I am sorry, Mr. Ackerman, that I cannot go along with you in this philosophy or theory. It was Mr. Grace, president of the Bethlehem Steel Co., that company which built so many ships for the Government during the World War, and who made millions of dollars from the Government, it was Mr. Grace, when testifying before the Senate Committee Investigation of Profits in War Munitions, it was that same Grace who admitted that he had received a bonus of nearly \$3,000,000 for his own services, who acknowledged that he was opposed to the payment of the soldiers' bonus because he had never looked at it in that way before. So to the American Ship Building Co. I can truthfully say that the bill will be enacted into law by the Seventy-fourth Congress, signed by the President of the United States, and they will have a fair chance to prove or disprove their contentions.

THE AMERICAN COACH & BODY CO.,  
PUBLIC UTILITIES EQUIPMENT MANUFACTURERS,  
Cleveland, Ohio, May 14, 1935.

HON. CHARLES V. TRUAX,  
House Office Building, Washington, D. C.

HONORABLE SIR: We are sincerely interested in the Wagner bill which is now pending before the House. We believe that the Wagner bill would be an injustice to all employers, small or large, because it gives not only the American Federation of Labor unions a free hand to coercion but also encourages the professional labor organizer, which is resulting in nothing but disturbance, strikes, and racketeering. Unless similar provision is enacted to protect the employers, to make the union organizations responsible, either direct to the Federal Government or courts, there will be nothing but friction and strikes and retardment in progress.

For this reason we believe the Wagner bill should be defeated, and we are hereby asking you, in your own fair judgment, to help defeat this bill.

Sincerely yours,

THE AMERICAN COACH & BODY CO.,  
JAMES HOLAN, President.

I note from the heading on this letter that the company caters to the manufacturers of public-utility equipment. I assume, therefore, that this company will also be against the Rayburn-Wheeler bill that outlaws and abolishes public-utility holding companies. It appears that the American Coach & Body Co. has a big grievance against the American Federation of Labor. My experience teaches me that were it not for the organized activities and militant spirit of the American Federation of Labor, with their fighting and courageous leader, Mr. William Green, and of other kindred organizations, labor would be crushed completely out of existence by certain employers and their henchmen.

The Dayton Chamber of Commerce, Dayton, Ohio, writes me as follows:

DAYTON CHAMBER OF COMMERCE,  
Dayton, Ohio, April 22, 1935.

HON. CHARLES V. TRUAX,  
House of Representatives, Washington, D. C.

DEAR SIR: Acting under instructions of the board of directors of the chamber of commerce, I am pleased to transmit to you enclosed a copy of the report of the taxation and legislation committee, together with the action of the board of directors of this organization, on Senate bill no. 1958, known as the "Wagner labor-disputes bill."

We trust that you will give the attitude of this organization and the reasons therefor your very serious consideration, and with the

hope that it may be somewhat of a guide to you in any vote that you may register as a Member of Congress on this very important and exceedingly far-reaching bill.

Very truly yours,

DAYTON CHAMBER OF COMMERCE,  
By WAYNE G. LEE, *Managing Director*.

They send me a copy of the action of the committee on legislation and taxation and the board of directors of the Dayton Chamber of Commerce re Wagner labor-disputes bill. They wind up that statement by saying:

One can readily grasp the bureaucratic control that would be exercised by the Government not only under industrial management itself but upon the employee who might be unwilling to join a labor union. Your committee unanimously recommends the chamber's opposition to the passage of this bill.

Signed "W. S. McConaughy, chairman taxation and legislation committee."

You will note in the foregoing letter that the Dayton Chamber of Commerce submits the letter with the hope that it will be "somewhat of a guide" to me in any vote that I may cast on this bill. My dear friends, I am sorry to state that my mind was made up on this bill sometime ago, as my mind is made up on all legislation that is of far-reaching benefit to the common people. I think you are not in full possession of the facts in this case or you would not solicit me to oppose this legislation.

Here are several more from Dayton, and I insert them in the RECORD at this point:

DELCO PRODUCTS CORPORATION,  
Dayton, Ohio, April 30, 1935.

HON. CHARLES V. TRUAX,  
House Office Building, Washington, D. C.

HONORABLE SIR: As a representative of industry and as one of your constituents, I wish to enter my protest in opposition to the proposed legislation known as "the Wagner labor relations board bill", which I understand is now in the hands of the Senate Committee on Education and Labor.

As I see it, this bill injects the Federal Government further into the relationship between virtually all employers and employees, regardless of the number of persons employed; it creates an all-powerful central administrative body which may summon employers to appear anywhere in the country on 3 days' notice; and it forecloses the rights of minorities to representation in collective bargaining negotiations by setting up a majority rule.

With reference to the central administrative body referred to above, their findings of facts bind any court to which an appeal is made, although the board itself is not bound by "the rules of evidence prevailing in courts of law." In other words, the board can reach a decision on hearsay or rumor and the courts must accept as "facts" what the board accepted as "rumor."

Further, while the proposed legislation prohibits certain labor practices as unfair on the part of the employer, it sanctions the closed union shop and imposes no restraints on labor unions.

There are many additional features in the bill to which I object, and which I will not burden you with at this time, but I feel that if this proposed legislation is enacted into law it will not only place additional hardships on industry and create additional strife between employer and employee, but will also seriously retard our progress toward complete economic recovery.

I therefore bespeak your earnest support in aiding to defeat this proposed legislation.

Very truly yours,

CARL L. STORCK,  
Assistant to the Factory Manager.

One is from the Delco Products Corporation, a subsidiary of the General Motors Corporation. Needless to state that these gentlemen are all wrong in their premises. I take it from a perusal of the letter that they offer no opposition to a continuation of the N. I. R. A., which is designed primarily to benefit and protect the big industries. The conclusions in this letter are wholly erroneous. The bill does not further inject the Federal Government into the relationship between employers and employees, only as it should be injected therein to protect the rights of those workmen, those vital cogs, in these huge industrial machines that rob workingmen of their youth and future earning powers. The bill, of course, should and does sanction closed union shops, but does not impose restraints on legitimate labor unions. It gives the employees themselves the right to say to what organization they will belong without dictation or punishment by the employers.

AMERICAN ZINC OXIDE CO.,  
Columbus, Ohio, May 9, 1935.

Congressman CHARLES V. TRUAX,  
House Office Building, Washington, D. C.

DEAR CONGRESSMAN TRUAX: Referring to the Wagner labor-disputes bill (S. 1958), it is our opinion that legislation of this nature

will aggravate labor troubles and do more harm to a very large majority of workers than it can possibly do good to the comparatively small number advocating such legislation.

Permanent legislation prescribing relationship between management and labor is not desirable and can result only in additional disputes, arguments, and general confusion and dissatisfaction, which means hardship to the workers and their families.

What is needed, in our opinion, is more genuine cooperation between labor and management, and legislation such as the Wagner bill would make this more difficult.

Will very much appreciate a line from you stating your position on this piece of legislation and your opinion of the bill's chance for passage.

Yours very truly,

J. I. WALL, *Manager*.

This one is from the American Zinc Oxide Co., a subsidiary of the American Zinc, Lead & Smelting Co. You will be interested to know that the only acquaintance I enjoy with these corporations is by hearsay or reputation. I have not the pleasure of knowing them personally in the 12 years during which I have been a servant of the people, first as director of agriculture for the State of Ohio for 6 years, and now as Representative at large for the State of Ohio. I repeat that never once during my 12 years' service to the public have any of these gentlemen deemed it necessary to contact me heretofore. Now, since they seemingly fear the "organized onslaughts of organized labor", they appeal to me for help. That is futile, I beg to state. You state more "genuine cooperation" is needed. I am in accord with that viewpoint, and this is exactly what the Wagner-Connery bill proposes to do. Mr. Wall, I take this opportunity to answer the last paragraph of your letter. My judgment is that the bill will pass the House of Representatives by a large majority.

LOCKHART IRON & STEEL CO.,  
Pittsburgh, Pa., May 13, 1935.

HON. CHARLES V. TRUAX,  
The House of Representatives, Washington, D. C.

DEAR SIR: We are writing you in connection with the Wagner labor relations bill, as we wish to go on record as opposing the passage of this act, as, in our judgment, it would by its terms and procedure tend toward a continuous stimulation of complaint.

It would excite irritation and result in increased bitterness in employment relations, thus having the effect just the opposite to that intended to improve, and would indefinitely prolong the return of reasonably prosperous conditions in this country.

The bill if enacted would practically impose the closed shop upon industry and throw the labor situation into the hands of the labor union, but there is nothing said that would prevent labor organizations from exercising coercion or intimidation.

We trust you will use your best efforts to defeat the bill in question.

Yours very truly,

LOCKHART IRON & STEEL CO.,  
J. M. GILLESPIE, *President*.

Assuredly those of us in the House of Representatives who are vitally interested in the welfare of American labor are not surprised when we receive letters of protest from the subsidiaries of the steel trusts. Here is one from the Lockhart Iron & Steel Co. The president of the corporation, Mr. J. M. Gillespie, is having nightmares about "increased bitterness in employment relations." Let me humbly suggest, friend Gillespie, that the continued opposition of the steel trusts to this and other measures designed to help the wageworker will do more to promote and increase that "bitterness" than all of those measures combined.

Mr. Chairman, I conclude my remarks with a reaffirmation of my attitude and position on this all-important legislation.

TRUAX REPLIES TO OPPONENTS OF WAGNER-CONNERY LABOR-RELATIONS BOARD

As a member of the Committee on Labor I voted to report favorably the Wagner-Connery labor-relations bill.

The two greatest producing classes of the country are farmers and wageworkers who create all the wealth and ultimately pay all the taxes.

For the past 15 years both of these classes have been exploited by the millionaire overlords and racketeering bankers with the result that farmers were universally bankrupted and wageworkers universally unemployed. The money lenders and Shylocks finished the job by wholesale and ruthless foreclosures of farms and homes.

The Roosevelt Administration sponsored and the Seventy-third and Seventy-fourth Congresses enacted into law the



Agricultural Adjustment Administration, the Farm Credit Administration, and the Farm Bankruptcy Act for the relief and benefit of farmers. N. I. R. A. was created for the benefit of industrialists. Banking legislation was enacted for the benefit of bankers and capitalists. H. O. L. C. was established for the relief and salvation of stricken home owners.

To complete this circle the establishment of the National Labor Relations Board and enactment of the 30-hour-week bill are necessary, the first bill to provide for a peaceful forum for both industry and labor and to benefit employers, workers, and the people at large. It is designed to put "teeth" in section 7 (a) of the N. I. R. A. It is necessary to guarantee to labor the right of collective bargaining. It will promote industrial peace instead of riotous discord.

Fewer hours per day, less days per week, will reduce the ranks of the 11,000,000 unemployed caused not only by the depression but by the permanent loss of jobs due to the mechanistic age. I will vote for the bill.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the remaining time to the gentleman from Georgia [Mr. DEEN].

Mr. DEEN. Mr. Chairman, on January 3, 1935, I introduced House Joint Resolution 51, proposing an amendment to the Constitution which provides for the election of Members of the House of Representatives for 4-year terms. The resolution makes no provision as to whether or not Members should be elected during the Presidential election years or during the off years. I preferred to leave this feature to the wisdom and judgment of the House and Senate.

It is my contention, as well as my sincere, honest, and conscientious belief, that Members of the House of Representatives should be elected for 4-year terms instead of for 2 years, for the following reasons:

First. If the term of Members was lengthened to 4 years, the office would seek the man instead of the man seeking the office. Persons with the most satisfactory qualifications and background do not feel that they can afford to lay aside their business or profession for such a short tenure of service, coupled with the possibilities of meeting defeat at the end of 2 years' service. As a result of this attitude on the part of the better qualified persons, the office is frequently sought by persons of insufficient training, experience, and background. The result, of course, is the lowering of the standard of efficiency in the greatest law-making body in the world.

Second. The Federal Government has grown to such large proportions that Members cannot do much more than learn the rules during their first term, which is largely an apprenticeship. The duties devolving upon the Members of the House of Representatives are multiplied many times in comparison with the duties devolved upon Members in the earlier years of the history of our country. Some Members of the Seventy-fourth Congress, who have served for more than 20 years, say that their problems and duties have multiplied several fold in the past 20 years. Correspondence has increased from a mere handful of letters each day to hundreds of letters every day.

The departments of the Government have expanded in such proportions that frequently Members of the House of Representatives find it necessary to spend half their time in the departments trying to work out problems with officials and problems which concern the interests of their constituency.

It has been said that the enormous amount of work which piles upon Members of the House frequently makes them errand boys. During my first term as a Member of the House I received more than 10,000 letters from persons requesting my aid and assistance in securing jobs. These letters, for the most part, were from sincere, honest, and conscientious constituents. Many of them could not be handled by the secretaries but required my personal attention.

During the course of a year Members of the House receive thousands of letters from their constituents pertaining to

pending legislation. Constituents are interested to know the various provisions of pending bills. They have a right to know. It is a matter of impossibility for Members to find time to properly study legislation or to do their committee work. Since legislation in the House of Representatives is largely the work of committees, it is highly important that Members attend the committee meetings. All too frequently Members have conflicting committee meetings and do not have time to study legislation. Requests from their constituents to go to various departments and look after hundreds of problems takes a great deal of time. If Members attend their committee meetings, study the legislation, and acquire the proper background and keep themselves informed on important measures which affect their districts and the whole country, they, in turn, must neglect hundreds of duties which they properly and justly owe their constituents.

If Members were elected for 4 years, the time, thought, and work which they devote to reelection every 2 years could be devoted to their duties while in office and the benefits to the whole country would be most wholesome. Although my district is largely agricultural, I find it necessary to study and familiarize myself with legislation relating to industry, mining, banking, foreign and domestic commerce, tariff, and various and sundry other subjects. Members of Congress represent the whole country, as well as their districts. Legislation of national importance requires considerable thought and study.

Third. Elections are expensive, both to Members and to the general public. The taxpayers have to bear their share of the expense in connection with primaries and elections. Four-year terms for Members of the House will certainly be more economical.

Fourth. History substantiates the fact that a 4-year term for the Members of the House of Representatives was advocated by several members of the Constitutional Convention. Some of the members argued for and contended for 4-year terms for Members of the House of Representatives. It must be remembered that the Nation in 1789 was an exceedingly small country compared to our Nation of today. Most of the Representatives in Congress at that time lived only a short distance from the Capitol in Washington, D. C. Their problems were fewer and much less complicated than are the problems of today.

Fifth. The outstanding reason which I submit in defense of the legislation proposed in House Joint Resolution 51 is as follows:

(a) The executive branch of the Federal Government has a 4-year term to execute the will of the people as it is reflected through and expressed by the legislative branch.

(b) The judicial branch of the Federal Government has 4-year terms, for the most part, among county, circuit, and district judges, with a life tenure for judges of the Supreme Court of the United States.

(c) Members of the United States Senate, which is one division of the legislative branch of the Federal Government, are elected for 6-year terms.

The legislative branch of the Federal Government is essentially and fundamentally the most important of the three branches of Government. The judicial and executive branches are secondary in importance for the reason that they merely seek to properly adjudicate and execute the decisions of the legislative branch of the Government, which in turn is the expressed will of the people reduced to law. All appropriations must originate in the House of Representatives. Before the judicial branch of the Government can act on questions of litigation, and before the executive branch can undertake to execute the laws, the legislative branch must necessarily have preceded them by legislating the expressed will of the people into law.

The question, therefore, arises, if it is advisable for the executive and judicial branches of the Federal Government to be given 4-year tenures in which to adjudicate and execute the wishes of the people in terms of judicial and executive procedure, then why is it not as equally wise and important that the legislative branch be given at least 4 years in which to carry out the expressed will of the people

in a legislative capacity? In my judgment, Mr. Chairman, the question answers itself. In the light of reason, logic, facts, and circumstances I cannot see any justification for continuing the time-worn and wholly unsatisfactory method of electing Members of the House of Representatives every 2 years, while on the contrary I can think of many reasons which justify 4-year terms for the Members of the House.

Sixth. Twenty-three States elect their Governors for 4-year terms, and most county officials in all the States are elected for 4-year terms. If the people find it advantageous to provide 4-year terms in their local self-government, then certainly this is all the more a greater reason why their system of local self-government should be extended through the Federal Government to Members of the House of Representatives.

Seventh. May I call your attention to the following excerpt taken from my five-point platform submitted on July 12, 1934, to the citizens of my district. I quote as follows:

If you endorse the following simple platform I will appreciate your support for a second term: (1) Introducing and sponsoring a bill to make the term of Members of the House of Representatives in Congress 4 years instead of 2 years.

I may add, Mr. Chairman, that I honestly and conscientiously believe in the merits of this legislation, and it is my opinion that the majority of the citizens of my congressional district are also convinced that the legislation is meritorious and should forthwith be enacted into law.

Eighth. The initiation of legislation by the executive branch of the Government, through its departments, carries with it the inferential power of legislating and the increasing tendency of delegation of legislative power to the executive branch of the Government is rapidly subordinating the legislative branch. There is some justification for this delegation of power in time of war or during an extreme economic crisis such as existed from 1929 through 1932; however, it is equally important that the receding period not be overlooked or delayed. Four-year terms will have a beneficial effect in helping to restore the lost power and prestige of the House of Representatives.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. DEEN. I yield to the chairman of my committee.

Mr. FLETCHER. May I ask the gentleman whether he would prefer to have all the Members elected the same year or have half of them elected every 2 years, so as always to have experienced men in Congress?

Mr. DEEN. I think it would be better to have half of them elected every 2 years, because we would need the experienced men.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

For mileage of Representatives, the Delegate from Hawaii, and the Resident Commissioner from Puerto Rico, and for expenses of the Delegate from Alaska and the Resident Commissioners from the Philippine Islands, \$175,000.

Mr. MITCHELL of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Tennessee: On page 11, strike out lines 13, 14, 15, and 16.

Mr. MITCHELL of Tennessee. Mr. Chairman, I recognize the fact that this may not be a very popular move on my part. I hope I may not be misunderstood by my colleagues.

I am taking this position: The mileage fixed for the Members of the House was set way back in 1860 or 1866, I believe. At that time it was expensive to travel. We did not have the roads, the automobiles, or the railroads. There was some excuse for rather liberal compensation as mileage to the Members of the House and Senate at that time.

I think the Membership of the House can well afford to begin to set an example of economy and retrenchment in expenses. If we are to ever come back, in my judgment, we will have to practice more rigid economy and have less expense in government, and, surely, the Membership of the

House can afford to set this kind of example for other public officials throughout the Nation.

It is with this in view, Mr. Chairman, that we on Capitol Hill here in Washington may set the precedent of undertaking to share the burdens of the taxpayers back home.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Tennessee. I shall be very glad to yield to the gentleman.

Mr. SNYDER. When the Economy Act was passed by the Congress it was for the purpose of reducing expenses. It reduced our salaries 15 percent, and I should like to know whether the gentleman voted for or against the Economy Act.

Mr. MITCHELL of Tennessee. I voted against the Economy Act, for I was pledged to support the soldiers.

Mr. SNYDER. That is it.

Mr. MITCHELL of Tennessee. I did that; yes.

Mr. CARPENTER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Tennessee. Yes.

Mr. CARPENTER. What does the gentleman's amendment propose?

Mr. MITCHELL of Tennessee. To strike out the \$175,000 for mileage allowed the Membership under the provisions of this bill.

Mr. CARPENTER. It strikes out all mileage?

Mr. MITCHELL of Tennessee. Yes.

Mr. CARPENTER. I wish to say to the gentleman that I have introduced a bill reducing the mileage to 10 cents a mile, or, in other words, just cutting it in two.

I wish further to state to the gentleman that I voted against the Economy Act because I thought it was unjust to the veterans, but at that session of Congress I refunded to the Government \$242 of mileage, all that I did not expend out of my mileage above the cost of my traveling to Washington in my own car for which I made no charge, and furthermore, I refunded the Government \$1,000 by check out of my salary in addition to the \$242, reducing my salary to \$7,500. I also made a calculation so that for the next 10 months of the second year I would receive the same amount of salary.

Mr. MITCHELL of Tennessee. I want to commend my colleague for that sacrifice upon his part.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. MITCHELL of Tennessee. I yield.

Mr. ANDREWS of New York. I am wondering if the gentleman would not admit that his amendment is somewhat discriminatory against the delegation from California?

Mr. MITCHELL of Tennessee. If the House does not concur in the idea of striking out the entire mileage, I agree with my colleague on the right that certainly no one of us can insist that we are entitled to any more mileage than the actual expense of travel incident to going and coming to our respective residences.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent that the amendment may again be reported.

The Clerk read the Mitchell amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was rejected.

The Clerk read as follows:

#### CLERK HIRE, MEMBERS AND DELEGATES

For clerk hire necessarily employed by each Member, Delegate, and Resident Commissioner, in the discharge of his official and representative duties, in accordance with the act entitled "An act to fix the compensation of officers and employees of the legislative branch of the Government", approved June 20, 1929, \$2,200,000.

Mr. MITCHELL of Tennessee. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 19, after line 19, insert "That no part of this appropriation shall be available to any Member who employs his next of kin within the third degree."

Mr. MITCHELL of Tennessee. Mr. Chairman and members of the Committee, I realize that this is not a popular



move on my part. I have not a doubt that the Membership of this House suffers very greatly in the public estimation because of the current rumor that many Members have immediate members of their family on the pay roll.

In these days of unemployment, when we are appropriating millions of dollars for those who are suffering, and trying to make available positions for our fellow men, I feel sure that every Member of the House will concede that it is nothing but just and right that with the compensation we receive one member of the family ought to be satisfied with the salary he receives and not place any other member of his family on the pay roll.

I am glad to say that it is not practiced as much as it formerly was. I was elected a Member of the House 4 years ago, and at that time it was flagrant and practiced much, not only at this end of the Capitol but at the other end of the Capitol.

Today, perhaps, there are fewer members of the family on the pay roll than before. I want to commend my colleagues for that, but surely we owe it to ourselves here on Capitol Hill to quit the practice altogether.

Some of the States bar it under their constitutions. In Missouri and Oklahoma and in some other States it is not constitutional to put members of their own family on the pay roll.

When I go before the Committee on Accounts, I propose to amend my bill on nepotism so as to prevent the heads of bureaus from appointing their sons-in-law and their daughters-in-law and other members of the family on the pay roll. It has been practiced too long, and I hope that you will vote for my amendment as an example for other officials, both State and county, in this country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. MITCHELL of Tennessee) there were 18 ayes and 82 noes. So the amendment was rejected.

Mr. MITCHELL of Tennessee. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MITCHELL of Tennessee. Would it be in order at this time to offer an amendment to make this effective as of today but not retroactive?

The CHAIRMAN. The Chair would first have to see the amendment.

Mr. MITCHELL of Tennessee. I have not one prepared.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

House Office Buildings: For maintenance, including equipment, miscellaneous items, and all necessary services, \$346,694, of which sum \$6,000 shall be immediately available.

Mr. DOCKWEILER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 27, line 15, strike out "\$346,694" and insert in lieu thereof "\$347,894", and in the same line strike out "\$6,000" and insert in lieu thereof "\$8,200."

Mr. DOCKWEILER. Mr. Chairman, this amendment is agreeable to the subcommittee of the Committee on Appropriations. It adds \$1,200 for the purpose of buying steel shelving in one of the rooms under the charge of the Architect of the Capitol for storing books. Under the terms of the bill we allowed \$1,000 for additional steel shelving, and they requested \$2,200. We are now giving them under the terms of my amendment the full \$2,200 in order that all the steel shelving in this particular room may be purchased at one time. I hope the Committee will agree to the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

#### LEGISLATIVE REFERENCE SERVICE

To enable the Librarian of Congress to employ competent persons to gather, classify, and make available, in translations, indexes, digests, compilations, and bulletins, and otherwise, data for or

bearing upon legislation, and to render such data serviceable to Congress and committees and Members thereof, including not to exceed \$5,700 for employees engaged on piecework and work by the day or hour at rates to be fixed by the Librarian, \$87,990.

Mr. TABER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. TABER: Page 31, line 9, after the word "Librarian", strike out "\$87,990" and insert in lieu thereof "\$77,990."

Mr. TABER. Mr. Chairman, this amendment is designed to strike out that scheme which would provide for digesting bills by the Legislative Reference Service in the Congressional Library. In my opinion that service should be performed by the clerks of the committees of the House, and when a bill comes on the floor the chairman of the committee and the ranking minority member should digest for their respective sides the merits of the bill, if it is an important bill. For less important bills the clerks of the committees should do this work. I can see no excuse for having clerks in a lot of these committees unless they do this work. It seems to me it is absolutely unnecessary and a waste of the people's money to provide \$10,000 additional for this work, which will destroy the efficiency of the committees and the efficiency of the clerks. I think from the standpoint of legislative assistance, if we are going to have a digest that is dependable, it must come from those who have studied and who are in the habit of studying some particular phase of bills, and the clerks to our committees, if they are going to serve a useful function, are the best people to do that work and to do it right. I hope the Committee will adopt this amendment and prevent our embarking upon a service of this character.

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment. We have proposed this new service in the hope of being helpful to Members of the House. It is a matter for the House to decide. If it does not care to embark on this activity, the House can settle the question by a vote. We have thought it will be helpful. The gentleman from New York [Mr. TABER] speaks about the possibility that the clerks may perform this service. The clerks of Members and even of committees are not expert in the law or on purely legislative matters. It is proposed to have over there in the Library a very small personnel who will be able to make an accurate digest or syllabus of every public bill when it is introduced, and likewise a little more extended syllabus of a bill when it is reported from the committee, and these digests or syllabi will be delivered automatically once a week to every Member of the House, so that each Member may have this information for his own use and may readily be able to answer correspondents who present inquiries in regard to legislation and particular bills. Then they will have this information in a comprehensive digested form at hand at all times. We all know that when Congress meets there is a flood of bills and that no individual Member can possibly undertake to ascertain the meaning of one-quarter of them. This information will be presented in concise form to every Member for his use as a Member and for his use in answering correspondents. We believe it has the germ of a very good service. It is a very slight outlay. We think it is advisable to undertake it and try it out. If it does not work, at the end of a year we can drop this appropriation out of the bill. We believe it is worth trying, but, as I said before, after all it is a matter for the House to decide and the House can decide by a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 29, noes 66.

So the amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.



Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes, directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

Mr. LUDLOW. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question recurs upon the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

On motion by Mr. LUDLOW, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### VISITING FARMERS

Mr. AYERS. Mr. Speaker, I ask unanimous consent for the present consideration of a resolution which I send to the Clerk's desk.

The Clerk read as follows:

Whereas the Capital has been visited this week by more than 4,000 bronze-faced farmers of the Nation, coming from every agricultural State and representing every class of agriculture, and having come upon their own time and at their own expense; and Whereas it is an unprecedented occurrence in that it is the first delegation of such proportions to ever visit the Nation's Capital without seeking special privileges or without having come to oppose or condemn or denounce something; and

Whereas this vast delegation of producers from all parts of our land have come here to say to the President and to the Congress, "We thank you", and to say to the Secretary of Agriculture and to the Administrator of the Agricultural Adjustment Act, "We approve of your administration of the laws affecting agriculture and agricultural products"; and

Whereas such voluntary pilgrimage of good will and evidence of cooperation between the producers of our Nation and the officers who make and who execute the laws tends to a better understanding and a better Government: Now, therefore, be it

Resolved, That the House of Representatives of the United States of America expresses its appreciation of the visit of this delegation of farmers who carried an agriculture good-will message to the Nation's Capital and to the Executive and legislative officers of this Government; and further, the House of Representatives expresses its confidence in the agricultural population of this Nation and in the industry to which such population is committed.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I object to its consideration at this time.

#### THE WAGNER-CONNERY LABOR-DISPUTES BILL

Mr. EAGLE. Mr. Speaker, I ask unanimous consent to insert in the RECORD as part of my remarks a letter which I have written to a constituent upon the subject of the Wagner labor-disputes bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EAGLE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written by me to a constituent upon the subject of the Wagner-Connery labor-disputes bill:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., May 14, 1935.

Mr. R. E. POWELL,  
Care Humble Oil & Refining Co., Baytown, Tex.

DEAR MR. POWELL: Your letter of the 10th instant is received and is welcome and has been read with care and interest concerning the Wagner-Connery labor-disputes bill.

Every vote I have cast here has shown that I would not overtax and never confiscate capital or property. They show that I recognize as fully as any man living that our capitalistic system is the

best system ever devised, and, of course, I know that profit is the proper reward and service is the justification of business and industry.

After 12 years of misrule and robbery and pillaging of the public, we found the country bankrupt and ruined when we took charge on March 4, 1933. Our first acts were to save the banks, the railroads, the building-and-loan companies, the insurance companies, and all legitimate big business enterprises—and they were all broke except oil. We have saved 1,000,000 homes and hundreds of thousands of farms from foreclosure. We have voted for and lifted the pay of labor. We have brought producers' prices up above cost.

But no sooner do we get business and industry saved and under way than there is a great centering here in Washington—every hotel is full day in and day out, week in and week out—of the agents and attorneys and lobbyists whose business we saved, trying now to make us stop the new deal so that they can again make peons out of producers and make slaves out of labor.

I wish I could talk it out with you as there is not space or opportunity to write it fully. For one, I rebel at their propaganda that we stop the new deal and again turn the country over to their tender mercies.

If all the management were like the Humble's management, and like you treat your 2,500 employees, then what you say in your letter might be followed. But it is not, Mr. Powell. After 2 weeks' hearings in our Labor Committee, such brutal disregard of the rights of helpless men who work was conclusively proven to exist in the great industrial plants of the North, that I know we must either protect labor or labor would be enslaved completely. Those manufacturers want to make all the money, and at the expense of producer and labor; and I remarked in committee that if big business and intensified industry made brutes of men like that, then I hoped Texas would remain a cow ranch.

In the industrial sections of the country they have ignored section 7 (a) of the N. R. A., and have put forth spurious unions of their own for themselves to deal with, under false construction of 7 (a) by Mr. Richberg. Now they want to kill N. R. A. and kill A. A. A.—after we have started the country up prosperously again—so that they can make peons of labor and peasants of farmers, so that big business, under the dominance of Wall Street, can make even bigger profits at the expense of labor and producers.

For instance, in the 10-year period from 1924 to 1934 four big cigarette makers, like Camel's, Lucky Strike, Chesterfield, and others, while paying the management enormous salaries, and while paying tobacco growers less and less until they were bankrupt, and while paying all taxes and interests and all labor and material and freight and expenses, decreased the pay per hour, let out one-third to one-half of their employees, lengthened the hours of work, and yet paid dividends of \$769,000,000. It is pitiable the conditions to which they drove their workers. Contrast that with the beautiful and noble way in which you and the Humble have treated your employees. The automobile industry is equally harsh, and big manufacturing in the East universally so.

If we do not perfect section 7 (a) in these labor bills and enact it, so as to preserve minimum wages, maximum hours, the right of collective bargaining through their own union of their own choosing, so that fraudulent company unions cannot chisel, and the continued abolition of child labor, the new deal might as well never have been started and carried so far toward general success and prosperity; and if the processing tax levied under the A. A. A. is thrown out, as the cotton manufacturers are trying to do, to make for themselves the additional 4.2 cents per pound on raw cotton purchased and processed, denying that benefit to the producer, the cotton producer, the wheat, hog, and corn producers, will again be bankrupt; and thus both labor and producer will have no purchasing power and there would soon be chaos in the country again.

For that reason, my dear friend, I cannot agree with the well-intentioned point of view and recommendation in your welcome letter. I want to fix it so that labor must be treated with human justice by those who will otherwise oppress it, just as you and the Humble do not oppress, and so that producer is not robbed for the benefit of manufacturer or anybody else. Then we will have justice and general prosperity and universal buying power, with consequent happiness in the land. Surely industry itself will vastly profit by this just course, with contented labor and with contented producers and general prosperity, rather than a short period with exorbitant dividends taken out of the blood and sweat of the producer and labor.

Your mind and your heart and my mind and my heart want the same results, which is justice and protection for capital and justice and protection for labor and producer. The difference is that because you and your good money are just I suppose you think industry as a whole are just toward labor and producer, when the indisputable evidence, after studying it for 2 years in its minute details, shows me that the weak must be protected from industry as a whole, for they do oppress it, they do underpay it, they do overwork it, they do turn it out on the streets to starve when they desire, and they do employ their fake company unions as a pretense of a real union to deal with as to wages and hours of labor and working conditions, and do fire men without mercy and unjustly if they do not kneel down and obey.

Mine is an awful responsibility, Mr. Powell. If I could look at matters as a politician, thinking first of myself, I would have far less trouble; but I have to think and feel and act as I have the mind and heart and resolution. And I have given you in substance the reasons why I am going to do all I can to perfect



section 7 (a) to safeguard the just rights of labor against the inhuman greed of all too many in industry who exploit labor.

I hope this does not result in any breach between you and me, because I like you and feel friendly toward you, but I must follow the right as I see the right, agreeing when I can agree and differing when I must.

With kind regards and best wishes, sincerely yours,  
JOE H. EAGLE.

#### ALLOTMENT OF WORK-RELIEF FUNDS IN ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.  
There was no objection.

Mr. DIMOND. Mr. Speaker, some of the newspapers this morning, in articles concerning the allotment of relief work funds in the total amount of \$1,000,000,000 made yesterday by the President upon the recommendation of the Advisory Allotment Board, contained an item to the effect that the Department of the Interior had been allotted \$446,500 for an anchorage and 30 miles of road in the newly colonized Matanuska Valley, Alaska.

The statement so made is in part erroneous. Allotments were really set up in the total amount of \$446,500 for the construction of roads in that region. One a road to connect the city of Anchorage, Alaska, with the Matanuska Valley, the sum allotted therefor being \$326,500, and the other for extending the system of roads already existing in the Matanuska Valley in order to give service to the new settlers in the sum of \$120,000.

No money whatsoever was allotted, or is likely to be allotted, for any anchorage or any harbor project in the immediate vicinity of the Matanuska settlement, since there is no need for undertaking any such work.

The city of Anchorage is situated about 36 miles from the lower end of the Matanuska Valley. Several years ago construction work was commenced on a projected road to connect the city of Anchorage with the Valley, and approximately \$120,000 has heretofore been spent on this road. Part of this money was contributed by the residents of Anchorage, part by the Territory, and part by the Public Works Administration.

The building of this road has long been under contemplation, and in the year 1927 the Alaska Legislature passed an act appropriating \$200,000 for the construction of a road to connect Anchorage with the Matanuska Valley. However, the act was afterward declared invalid for some reason and the money was never directly reappropriated.

Over a period of years in the past approximately 120 miles of roads have been constructed in the Matanuska Valley to connect the principal farms and small settlements in that region. The completion of the road between Anchorage and Matanuska will serve to connect with Anchorage the system of roads already existing in the valley, as well as the new roads which will be built for the settlers recently arriving there. This road is a vital part of the settlement program and, in my opinion, the success of the settlement would be greatly handicapped if the road were not built.

The road has been on the program of the Alaska Road Commission, which is the Federal road-building agency in Alaska for all roads built in the Territory outside of national-forest areas, for a number of years. It is not a new or a strange thing, and I am confident that every person informed about this region believes that the building of the road is not only advisable but really necessary in the development of that part of the Territory and almost equally necessary for the success of the colony just established in the Matanuska Valley. Eventually, I believe this system of roads will be extended to the Willow Creek mining district, and possibly also to the coal mines on Moose Creek.

Moreover, the undertaking of this road work, since it is expected that approximately 500 men will be employed in the work, will materially help to relieve unemployment in that immediate region of Alaska. The project complies with every one of the fundamental policies laid down by the President concerning the use of funds appropriated by the Emergency Relief Appropriation Act of 1935.

#### ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

#### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1958. An act to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes; to the Committee on Labor.

#### BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 3896. An act to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

#### ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 46 minutes p. m.) the House, pursuant to its order previously entered, adjourned until Monday, May 20, 1935, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON WAYS AND MEANS

(Monday, May 20, 10 a. m.)

Committee will hold hearings on extension of the N. R. A.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

344. A letter from the Secretary of War, transmitting draft of a proposed bill concerning claims against the War Department by the Bend Garage Co., Bend, Oreg., and W. N. Holbrook, Cumberland Gap, Tenn.; to the Committee on Claims.

345. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the post-graduate schools, the United States Naval Academy; to the Committee on Naval Affairs.

346. A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the National Railroad Adjustment Board, 1935 (H. Doc. No. 190); to the Committee on Appropriations.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GREENWOOD: Committee on Rules. House Resolution 223. Resolution for the consideration of H. R. 6914; without amendment (Rept. No. 956). Referred to the House Calendar.

Mr. DRIVER: Committee on Rules. House Resolution 224. Resolution for the consideration of House Joint Resolution 285; without amendment (Rept. No. 957). Referred to the House Calendar.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 6983. A bill to provide for the transfer of certain land in the city of Anderson, S. C., to such city; with amendment (Rept. No. 958). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 1415. A bill to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes; without amendment (Rept. No. 959). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 5722. A bill to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia; without amendment (Rept. No. 960). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 2105. An act to provide for an additional number of cadets at the United States Military Academy; with amendment (Rept. No. 963). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COSTELLO: Committee on Military Affairs. H. R. 3786. A bill for the relief of Woodworth B. Allen, captain, United States Army; without amendment (Rept. No. 961). Referred to the Committee of the Whole House.

Mr. COSTELLO: Committee on Military Affairs. H. R. 2442. A bill for the relief of Thomas A. McGurk; without amendment (Rept. No. 962). Referred to the Committee of the Whole House.

#### CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8036) granting a pension to Sarah Graves, and the same was referred to the Committee on Invalid Pensions.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHNE: A bill (H. R. 8115) authorizing manufacturers to protect their products against unfair or deceptive practices, and for other purposes; to the Committee on the Judiciary.

By Mr. FERNANDEZ: A bill (H. R. 8116) providing for a site and public building for a post office at Arabi, parish of St. Bernard, La.; to the Committee on Public Buildings and Grounds.

By Mr. DEROUEN: A bill (H. R. 8117) to provide a measure of damages for timber trespass upon lands of the United States; to the Committee on the Public Lands.

By Mr. JACOBSEN: A bill (H. R. 8118) to amend section 506, title XXVI, United States Code, Annotated; to the Committee on Ways and Means.

By Mr. SCHNEIDER: A bill (H. R. 8119) for securing the uniform grading of fur, preventing of deception in transactions in fur, and regulating traffic therein, and for other purposes; to the Committee on Agriculture.

By Mr. WALTER: A bill (H. R. 8120) to provide for the erection of a monument in Stroudsburg Cemetery, Stroudsburg, Monroe County, Pa., to mark the resting place of J. Summerfield Staples; to the Committee on Military Affairs.

By Mr. CROSSER of Ohio: A bill (H. R. 8121) to promote safe and efficient service to the public by the national system of rail transportation by providing a retirement system for railroad employees; to the Committee on Interstate and Foreign Commerce.

By Mr. DIMOND: A bill (H. R. 8122) to reenact section 463 of the act of Congress entitled "An act to define and punish crime in the District of Alaska, and to provide a code of criminal procedure for said district", approved March 3, 1899, and for other purposes; to the Committee on the Judiciary.

By Mr. YOUNG: A bill (H. R. 8123) to regulate the Supreme Court in connection with determining constitutionality of acts of Congress and statutes of the several States; to the Committee on the Judiciary.

By Mr. GREENWOOD: Resolution (H. Res. 223) for the consideration of H. R. 6914; to the Committee on Rules.

By Mr. DRIVER: Resolution (H. Res. 224) for the consideration of House Joint Resolution 285; to the Committee on Rules.

By Mr. AYERS: Resolution (H. Res. 225) expressing the appreciation of the House of Representatives of the visit of the delegation of farmers that brought an agricultural goodwill message to the Nation's Capital; to the Committee on Agriculture.

By Mr. PATMAN: Resolution (H. Res. 226) providing for the expenses of the investigation authorized by House Resolution 203; to the Committee on Accounts.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. SPEAKER: Memorial of the Legislature of Wisconsin, relating to a dairy program to protect the dairy industry; to the Committee on Agriculture.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CALDWELL: A bill (H. R. 8124) for the relief of Douglas Walker; to the Committee on Claims.

By Mr. DISNEY: A bill (H. R. 8125) for the relief of T. L. Rippey, who suffered loss by fire in Josephine County, State of Oregon, during September 1924; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 8126) granting a pension to Pauline Fallahee; to the Committee on Invalid Pensions.

By Mr. MORAN: A bill (H. R. 8127) for the relief of Blanche I. Gray; to the Committee on Claims.

By Mr. RYAN: A bill (H. R. 8128) for the relief of E. F. Bandas; to the Committee on Claims.

By Mr. SEGER: A bill (H. R. 8129) for the relief of Dr. J. Reuben Budd; to the Committee on Claims.

By Mr. LARRABEE: Joint resolution (H. J. Res. 294) authorizing the award of a medal of honor to Ralph E. Updike; to the Committee on Naval Affairs.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8507. By Mr. BOYLAN: Letter from the Greater New York Independent Wholesale Meat Dealers Association, Inc., New York, opposing the passage of House bill 7713; to the Committee on Agriculture.

8508. Also, resolution unanimously adopted by the Building Service Employees' International Union, meeting in convention at Chicago, Ill., favoring passage of Senate bill 1958, known as the "Wagner Disputes Act"; to the Committee on Labor.

8509. By Mr. CULLEN: Petition of the board of trustees of the village of Pulaski, Oswego County, N. Y., memorializing the Congress to pass the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

8510. By Mr. FORD of California: Memorial of the Los Angeles County Employees' Association, California, urging the enactment of House bill 5359, for the creation of a National Civil Academy to train qualified young men and women for all branches of public service through a school of public administration maintained by the Federal Government, and thus secure a professionalized public-service personnel; to the Committee on Education.

8511. By Mr. HEALEY: Resolution of the Building Trades Council of Boston and vicinity, expressing opinion that to give preference in employment to persons now on relief as



against persons that are employed on a part-time or broken-time basis is unsound and will create further enrollment of workers on relief rolls and general disruption through a break-down of the morale of workers that have struggled to sustain themselves without recourse to public relief, hereby petition the President of the United States to broaden the employment regulations, which it is proposed to set up for employment of labor on work-relief projects, and to include in such regulations an equal opportunity for employment to so-called "self-sustaining labor"; to the Committee on Ways and Means.

8512. By Mr. KVALE: Resolution of the Farm Bureau Legislative Committee of Rock County, Minn., urging adoption of the amendments proposed to continue and strengthen the Agricultural Adjustment Act; to the Committee on Agriculture.

8513. Also, petition of the Lincoln County Board, Ivanhoe, Minn., urging passage of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

8514. Also, resolution of the Florida unit of the Yellow Medicine County Farm Bureau Federation, of Burr, Minn., urging adoption of the amendments proposed to continue and strengthen the Agricultural Adjustment Act; to the Committee on Agriculture.

8515. Also, petition of the Hammer Local No. 143 of the Farmers Educational and Cooperative Union of America (Minnesota division) of Canby, Minn., urging passage of the Frazier-Lemke refinancing bill and the Massingale cost-of-production bill; to the Committee on Agriculture.

8516. By Mr. PFEIFFER: Petition of the National Organization of Masters, Mates, and Pilots of America, New York, concerning the Crosser House Joint Resolution 219; to the Committee on Interstate and Foreign Commerce.

8517. Also, petition of the Greater New York Independent Wholesale Meat Dealers Association, Brooklyn, N. Y., concerning House bill 7713; to the Committee on Agriculture.

8518. By Mr. SADOWSKI: Petition of Detroit Lodge, No. 46, American Federation of Government Employees, endorsing House bill 7674; to the Committee on Expenditures in the Executive Departments.

8519. Also, petition of Group 1035, Polish National Alliance, of Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

## SENATE

MONDAY, MAY 20, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, May 16, 1935, was dispensed with, and the Journal was approved.

### ADMINISTRATION OF OATH TO SENATOR-DESIGNATE FROM NEW MEXICO

Mr. HATCH. Mr. President, on last Thursday I presented credentials of the Senator-designate from New Mexico, Mr. CHAVEZ. Senator CHAVEZ is present this morning, and is prepared to take the oath of office.

The VICE PRESIDENT. The Senator-designate will advance to the desk and take the oath.

Mr. McNARY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bulow	Couzens	Gore
Ashurst	Burke	Dickinson	Guffey
Austin	Byrd	Dieterich	Hale
Bachman	Byrnes	Donahay	Harrison
Bailey	Capper	Duffy	Hastings
Barbour	Caraway	Fletcher	Hatch
Barkley	Carey	Frazier	Hayden
Bilbo	Clark	George	Johnson
Black	Connally	Gerry	Keyes
Borah	Coolidge	Gibson	King
Brown	Costigan	Glass	La Follette

Logan	Moore	Reynolds	Townsend
Loneragan	Murphy	Robinson	Trammell
Long	Murray	Russell	Truman
McAdoo	Neely	Schall	Tydings
McCarran	Norris	Schwellenbach	Vandenberg
McGill	Nye	Sheppard	Van Nuys
McKellar	O'Mahoney	Shipstead	Wagner
McNary	Overton	Smith	Walsh
Maloney	Pittman	Steiger	Wheeler
Metcalf	Pope	Thomas, Okla.	White
Minton	Radcliffe	Thomas, Utah	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. BONE], the Senator from Ohio [Mr. BULKLEY], the Senator from New York [Mr. COPELAND], and the Senator from Illinois [Mr. LEWIS] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness, and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

The Senator-designate from New Mexico will come forward to take the oath of office.

Mr. CHAVEZ, escorted by Mr. HATCH, advanced to the Vice President's desk, and the oath prescribed by law was administered to him by the Vice President.

### TRIBUTE TO THE LATE SENATOR CUTTING

The VICE PRESIDENT laid before the Senate a resolution adopted by the Council of Administration of the Department of Virginia, United Spanish War Veterans, assembled at Richmond, Va., as a tribute to the memory of the late Senator Bronson Cutting, of New Mexico, and stating, in part, "That we deeply and sorrowfully mourn and bewail the loss of one, who was not afraid to face the shot and shell shoulder to shoulder with those for whom in time of peace he continued to fight for what he believed was their just due. We grieve deeply and deplore the said circumstance of his untimely end", which was ordered to lie on the table.

### SIGNING OF ENROLLED BILL DURING RECESS

The VICE PRESIDENT. The Chair announces that, under authority heretofore granted by the Senate, he signed, on Friday, May 17, 1935, the enrolled bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, which had been signed previously by the Speaker of the House of Representatives.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1803) to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games.

The message also announced that the House had passed a bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes, in which it requested the concurrence of the Senate.

### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1776. An act granting a leave of absence to settlers of homestead lands during the year 1935;

H. R. 6143. An act to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free; and